

ISSUE BRIEF

# FINANCING BEHAVIORAL HEALTH SERVICES AT COLORADO SCHOOL-BASED HEALTH CENTERS

September 2011



COLORADO ASSOCIATION FOR  
SCHOOL-BASED HEALTH CARE



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# FINANCING BEHAVIORAL HEALTH SERVICES AT COLORADO SCHOOL-BASED HEALTH CENTERS

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## INTRODUCTION

A child’s mental health is vital to his/her ability to be successful in school. Research demonstrates that students who receive social-emotional support and preventive mental health services achieve better academically.<sup>1</sup> For students with severe emotional and behavioral needs, access to behavioral health services is paramount to academic success, as these students are twice as likely to drop out of school.<sup>2</sup> In Colorado, 63 percent of children and adolescents with severe emotional disturbances who could not afford to pay for services were able to access behavioral health services through Colorado’s safety net system.<sup>3</sup>

A growing part of Colorado’s safety net system, school-based health centers (SBHCs) strive to provide integrated physical and behavioral health services to students.<sup>i</sup> SBHCs provide preventive and primary care in schools or on school grounds. SBHCs offer a variety of services that may include well-child exams and immunizations, diagnosis and treatment of acute conditions, management of chronic diseases, health education, mental health assessment and treatment, substance abuse counseling, and preventive dental care. SBHCs focus on the whole child and use coordinated, co-located, or fully integrated care to gain a more complete understanding of and provide more effective treatment for the child’s health needs (see Figure 1).

**Figure 1: Stages of Integration**

Coordinated:	Co-located:	Fully Integrated:
Patient goes to different physical, behavioral, and oral health professionals practicing in separate offices, but the providers share information about the treatment they recommend.	Patient’s physical, behavioral, and oral health providers see patient in the same location, sometimes on the same day, and share findings.	Patient’s physical, behavioral, and oral health providers are co-located and work as a team, using a single health record and treatment plan that addresses all health and wellness issues.

Besides offering integrated services, Colorado SBHCs reduce barriers to care by committing to serve all students enrolled in targeted schools regardless of their ability to pay. Most SBHC users are either uninsured or covered by public insurance programs. According to an annual survey conducted by the Colorado Association for School-Based Health Care and the Colorado Health Institute, 45 operational SBHCs in Colorado served as a source of care for over 27,000 children and adolescents in 2009-2010. Of these SBHC users, 42 percent were covered by Medicaid, 31 percent were uninsured, 9 percent were covered by the Child Health Plan *Plus*, 9 percent had private insurance, 2 percent were on military or other government coverage, and 8 percent were undeclared.

There are numerous advantages to providing behavioral health services in the SBHC setting, including, but not limited to, the following:

- School location conveniently allows for observation and the provision of services in the student’s social context.

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<sup>i</sup>The term “behavioral health services” encompasses both mental health and substance abuse assessment and treatment.

- Early intervention is more likely because SBHC staff, school staff, and parents work together to identify children needing services.
- Behavioral health services have less stigma when provided in the school setting and may be considered less threatening by students and parents.
- Students who receive early intervention and treatment are less likely to seek care in costly emergency room settings.<sup>4</sup>

The purpose of this paper is to explore whether current mechanisms for public financing of behavioral health services support the SBHC mission of providing accessible and integrated physical and behavioral health care to all students regardless of ability to pay. To prepare this report, we completed an extensive literature review, gathered data through an on-line survey of Colorado SBHC programs<sup>ii</sup>, conducted semi-structured telephone interviews with key behavioral health partners of SBHC programs, and further explored one program that uses an innovative financing approach. The report describes federal and state funding streams that currently support behavioral health services for underserved children and adolescents and identifies the opportunities and challenges for sustaining integrated care.

## **COLORADO'S BEHAVIORAL HEALTH SAFETY NET SYSTEM**

Two state agencies are responsible for the administration of Colorado's publicly funded behavioral health care system: the Department of Health Care Policy and Financing (HCPF) and the Department of Human Services (DHS). Together these two agencies finance behavioral health services by weaving together federal and state funding streams to support community-based safety net providers who care for Colorado's most vulnerable individuals. HCPF administers Colorado's public health insurance programs. DHS administers Colorado's publicly funded system for providing community mental health services to low income, uninsured individuals who are not eligible for Medicaid. DHS also oversees the state's mental health institutions. Figure 2 provides a summary of Colorado's behavioral health safety net financing system.

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<sup>ii</sup>Of the 19 SBHC programs surveyed in September 2010, 13 SBHC programs responded to the survey, representing 38 SBHC sites across Colorado. Of the respondents, 4 programs were located in rural communities.



**Figure 2: Overview of Colorado’s Behavioral Health Financing System**

Program	Funding Source	Type of Funding	Eligibility	Delivery System
<b>Administered through the Department of Health Care Policy and Financing (HCPF)</b>				
Medicaid Community Mental Health Program	State General Fund and federal Medicaid matching funds from Centers for Medicare and Medicaid Services (CMS)	Entitlement program  Behavioral Health Organizations (BHOs) receive a monthly capitation payment for each covered member. Mental health services for people with diagnoses not covered in the BHO contract are billed directly to Medicaid on a fee-for-service basis	Medicaid eligible	HCPF contracts with five regional Behavioral Health Organizations (BHOs) for delivery of services
Medicaid Outpatient Substance Abuse Program	State General Fund and federal Medicaid matching funds from CMS	Entitlement program  Fee-for-service	Medicaid eligible	HCPF approves Department of Human Services (DHS)-licensed practitioners/sites to bill Medicaid fee-for-service; DHS manages provider contracts
Child Health Plan Plus (CHP+) Mental Health and Substance Abuse Program	State General Fund and federal Children’s Health Insurance Program matching funds from CMS	Non-entitlement  Contracted managed care organizations receive a monthly capitation payment for each covered member; fee-for-service for individual providers in the State Managed Care Network	CHP+ eligible (non-Medicaid eligible)	HCPF contracts with individual providers who participate in the State Managed Care Network and with managed care organizations for the delivery of services
<b>Administered through the Department of Human Services (DHS)</b>				
Community-based Mental Health Program	State General Fund and federal funds through Substance Abuse and Mental Health Services Administration’s (SAMHSA) Mental Health Block Grant	Non-entitlement  Cost reimbursement and fixed price	Individuals with incomes less than 300% Federal Poverty Level (FPL) who are not eligible for Medicaid, not insured, and not receiving mental health services through another system; Individuals must meet strict criteria of problem severity and diagnosis	DHS contracts with Community Mental Health Centers (CMHCs) for delivery of services
Community-based Substance Abuse Program	State General Fund and federal funds through SAMHSA’s Substance Abuse Prevention and Treatment Block Grant	Non-entitlement  Fixed price	Individuals with incomes less than 300% FPL who are not eligible for Medicaid, not insured and who are not receiving substance abuse services through another system	DHS contracts with four Managed Service Organizations (MSOs) for substance abuse prevention and treatment

## THE DEPARTMENT OF HEALTH CARE POLICY AND FINANCING

### *Medicaid Community Mental Health Program*

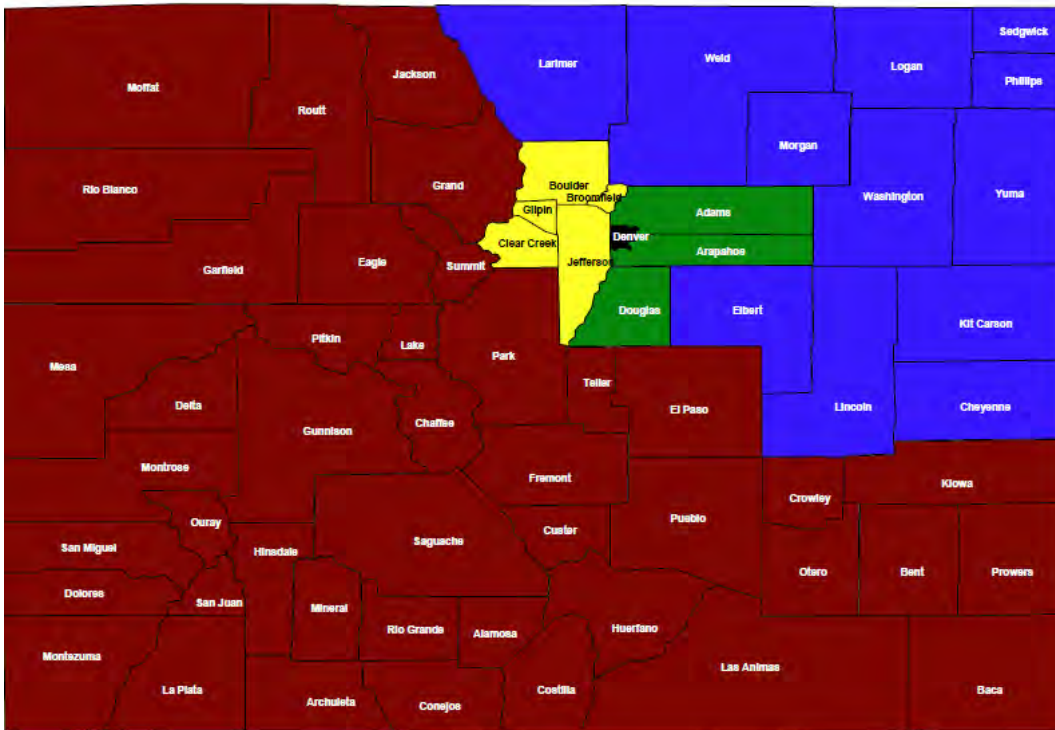
HCPF is the state agency that administers Colorado’s Medicaid program (Title XIX) and the federal Children’s Health Insurance Program (CHIP), known in Colorado as the Children’s Basic Health Plan, or Child Health Plan *Plus* (CHP+). In addition to the state funds appropriated for Medicaid and CHP+, HCPF receives federal matching funds from the Centers for Medicare and Medicaid Services to support the cost of covered health services, which include behavioral health services.

HCPF administers the Medicaid Community Mental Health Program, which provides mental health services to Colorado’s Medicaid-enrolled populations, including children. Nearly 99 percent of HCPF’s funding for this program is spent through contracts with five regional Behavioral Health Organizations (BHOs) which provide the mental health services in a managed care environment in exchange for capitation payments (see Figure 3). The remaining one percent of the Medicaid Community Mental Health Program funding supports a fee-for-service approach for clients who are not enrolled in a BHO, as well as BHO clients with diagnoses that are not covered under the BHO contract.<sup>5</sup>

In 1995, Colorado passed legislation requiring a statewide capitated mental health managed care program for Medicaid beneficiaries. Since 2005, Colorado has delivered Medicaid mental health services through the five regional BHOs. Two BHOs are nonprofit organizations and three are limited liability companies (LLCs) comprised of nonprofit organizations. Each BHO is responsible for providing necessary and appropriate mental health services to all Medicaid eligible persons within its designated region. To accomplish this, BHOs partner with one or more of Colorado’s 17 Community Mental Health Centers (CMHCs) and contract with other providers (see Appendix). Most CMHCs are part owners of their respective BHO. CMHCs provide comprehensive, community-based behavioral health services. According to Colorado state law, the Department of Human Services certifies CMHCs, which are defined as:

*either a physical plant or a group of services under unified administration or affiliated with one another, and including at least the following services provided for the prevention and treatment of mental illness in persons residing in a particular community in or near the facility so situated: inpatient services, outpatient services, partial hospitalization, emergency services and consultative and educational service.*<sup>6</sup>

**Figure 3: Colorado Medicaid Behavioral Health Organizations by Geographic Service Area**



- ◆ Northeast: Northeast Behavioral Health Partners, LLC
- ◆ Metro: Colorado Access Behavioral Care
- ◆ Metro West: Foothills Behavioral Health Partners, LLC
- ◆ Metro East: Behavioral Healthcare, Inc.
- ◆ Colorado Health Partnerships, LLC

Source: Colorado Behavioral Healthcare Council<sup>7</sup>

**Medicaid Outpatient Substance Abuse Program**

Covered substance abuse services are provided to Medicaid enrollees through a fee-for-service model administered by HCPF. Services must be provided by a licensed facility or by a provider certified by the Division of Behavioral Health in the Colorado Department of Human Services. Providers directly bill Medicaid for substance abuse services. Medicaid substance abuse benefits include both inpatient treatment and outpatient treatment which was added to coverage in 2005 legislation.

**Child Health Plan Plus (CHP+) Mental Health and Substance Abuse Program**

HCPF also manages CHP+, a non-entitlement program for certain children and pregnant women who do not qualify for Medicaid. CHP+ enrollees receive subsidized health insurance under a defined-benefit plan, which includes mental health and substance abuse benefits, through one of five managed-care organizations that are under contract with HCPF or through an individual provider contracted with the State Managed Care Network. Since the passage of House Bill 160 in 2008, CHP+ mental health benefits are similar to coverage levels in Medicaid.

## THE DEPARTMENT OF HUMAN SERVICES

### *Community-based Mental Health and Substance Abuse Programs*

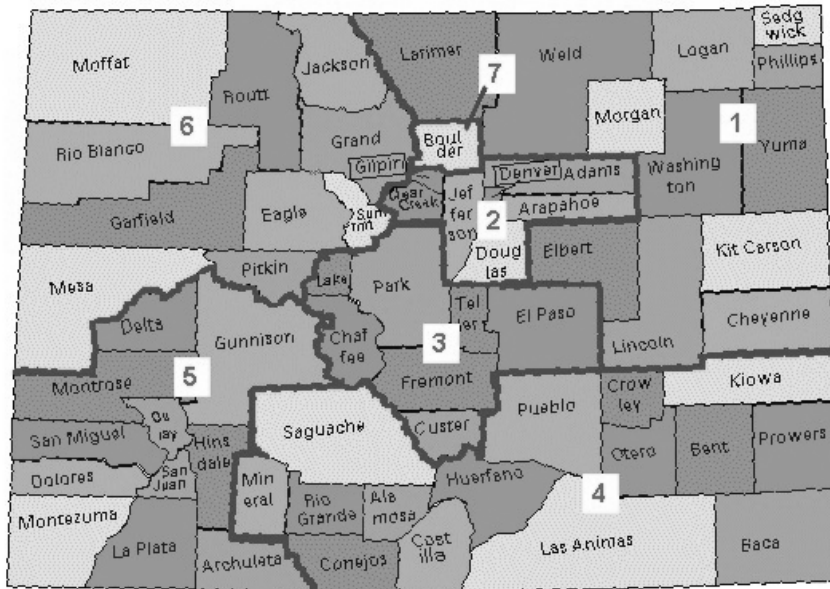
DHS is the designated “State Mental Health Authority” and “State Substance Abuse Authority” and provides mental health and alcohol and drug abuse services for individuals with incomes less than 300 percent of the federal poverty level (FPL) who are not eligible for Medicaid and who are not receiving mental health services through another system.

DHS is the recipient of a federal Mental Health Services Block Grant administered by the United States Department of Health and Human Services, Substance Abuse and Mental Health Services Administration (SAMHSA). In addition, Colorado’s legislature appropriates general fund dollars to augment the block grant. The amount of state plus federal funding dictates the number of people who will be served each year. Historically, the available funding has not been adequate to meet the need, leading DHS to create high-priority target populations. DHS contracts with CMHC’s to provide mental health services to a targeted number of individuals across certain categories. In State Fiscal Year 2009–2010, DHS contracted with the 17 CMHCs to serve 1,052 children and 1,046 adolescents statewide.<sup>5</sup>

In 1981, through an advisory statement, the legislature declared that DHS should prioritize how people are provided mental health services based upon three criteria: financial eligibility (income less than 300% of FPL); insurance status (no insurance coverage or coverage that does not provide mental health benefits); and mental health need. Children must be diagnosed with a “Serious Emotional Disturbance,” or SED, to qualify.<sup>8</sup> According to DHS, children and adolescents with SEDs are defined as “youth ages 0–17 with emotional or mental health problems so serious that their ability to function is significantly impaired and, as a result, their ability to stay in their natural homes may be in jeopardy.”<sup>9</sup> This prioritization means that no funding is available for the prevention, early intervention, or crisis management services that SBHCs provide.

For substance abuse treatment and prevention services, DHS receives a state general fund and cash fund appropriation in addition to federal funds through SAMHSA’s Substance Abuse Prevention and Treatment Block grant. In federal fiscal year 2010–11, DHS received \$23.5 million from this federal block grant.<sup>5</sup> DHS contracts with four managed service organizations, or MSOs, to provide substance abuse prevention and treatment for eligible targeted clients. Due to limited funding, the state established a list of priority populations to be served by state and federal block grant funds. Adolescents with substance abuse concerns are not specifically identified as a priority population funded by these monies, unless they are pregnant, using drugs by injection, or a woman with a dependent child. Each MSO is responsible for providing services in its assigned Sub-State Planning Areas (SSPAs). There are currently seven SSPAs in Colorado (see Figure 4).

**Figure 4: Colorado Substance Abuse Treatment Services Sub-State Planning Areas**



Source: Colorado General Assembly Joint Budget Committee

**FINANCING BEHAVIORAL HEALTH SERVICES PROVIDED BY COLORADO SCHOOL-BASED HEALTH CENTERS**

Partnerships allow SBHCs to provide a wide range of services to address the health needs of children and adolescents. SBHCs are built upon a foundation of partnerships among the school district, a licensed medical provider, and other community stakeholders. An SBHC operated within the approved scope of a Federally Qualified Health Center (FQHC) can be reimbursed its daily encounter rate by Medicaid when mental health services are provided for a physical health diagnosis or in conjunction with physical health services.<sup>iii</sup> However, in other cases, the school district or medical sponsor of an SBHC only has the option to contract with 1) the local Community Mental Health Center (CMHC), 2) an independent behavioral health provider contracted with the regional BHO, or 3) a combination of both. CMHCs and independent behavioral health providers contract with the regional BHO. The BHO collects capitation payments that cover the cost of services delivered to Medicaid enrolled children. The BHO also bills for and collects payments from insurers for those children enrolled in CHP+ or private insurance. Most SBHCs partner with the local CMHC to ensure that a range of preventative and primary care services is available on-site at the SBHC.

Most SBHC programs rely on grants, and in some cases non-BHO contracted therapists, to provide behavioral health services to uninsured, privately insured, and/or CHP+ enrolled students. Other sources

<sup>iii</sup> FQHCs are allowed to bill one daily encounter to Medicaid fee-for-service (FFS), which includes any physical and mental health services provided on that day. If the primary diagnosis is physical health and either physical or mental health procedure codes are included, the encounter will be paid. If the primary diagnosis is mental health but a physical health procedure code is also on the encounter, the encounter will be paid. If the primary diagnosis is mental health and the only procedure codes in the encounter are mental health, the encounter will not be paid, as BHOs are responsible for providing covered mental health services to Medicaid members.

of funds for some SBHCs include the Medicaid School Health Services Program (see page 12), administered jointly by HCPF and the Colorado Department of Education, and federal support for Federally Qualified Health Centers (Section 330 of the Public Health Service Act).

## OPPORTUNITIES AND CHALLENGES FOR SBHCS STRIVING TO PROVIDE INTEGRATED CARE WITHOUT REGARD FOR STUDENTS' ABILITY TO PAY

SBHC professionals and CMHC representatives report that their partnerships bring mutual benefits as follows:

- a high level of quality, experience, competence, close supervision, and scope of service
- relationship-building that results in strong leadership and commitment to behavioral health
- strong referral systems and solid interdisciplinary practice
- ability to reach high need children and ensure patient compliance
- convenient referral for Medicaid and CHP+ enrollment
- ease of marketing services to populations that could benefit

Several SBHCs and CMHC partners identified the following challenges in providing integrated behavioral health services in the same way to all students:

- *Lack of stable funding:* For most SBHC programs, the current sources of funding do not fully cover the cost of providing behavioral health services to the high number of children and adolescents who are uninsured or have inadequate health coverage. Thus, the SBHCs are forced to continually seek public and private grants to support this work. Grants are generally short-term and competitive and, therefore, are not a guaranteed source of ongoing revenue. The lack of stability associated with grant funding leaves most SBHC programs concerned about how they will sustain behavioral health services year to year.
- *Funding does not fully meet the need:* The behavioral health needs of students served at SBHCs outweigh the SBHCs' current capacity. Due to limited funding for behavioral health services, some SBHCs and their partners must closely monitor the amount and type of services provided at SBHCs, including number and types of visits, number of patients, and number of providers practicing on-site. Similarly, grant funding does not allow SBHCs to fully meet the growing need for behavioral health services among low income, uninsured children. Frequently, because of funding limitations, it is not possible to expand provider hours as the caseload increases. For substance abuse services, most SBHCs have formal relationships with community providers, but this arrangement requires students to seek care off site. And community-based fee-for-service substance abuse counseling is often too expensive for SBHC patients.
- *Difficulty tapping school district staff to help develop new sources of funding:* Often school district personnel are instrumental in identifying resources to support behavioral health services provided by SBHCs. Yet, due to severe state budget cuts to K–12 education, and the ensuing

pressure to funnel all available dollars into academics and improving standardized test scores, persuading school districts of the need to divert school district resources, including staff time, to find support for behavioral health services can be challenging.

- *Accounting complexities:* Funding for behavioral health services is limited, fragmented, and complex. Because of this, it is difficult for SBHC programs to fully understand and track expenses incurred and revenue received by various partners providing behavioral health services or to efficiently pool resources with their behavioral health partners.
- *Administrative Complexities:* Partnering also presents some administrative challenges to an integrated model of care. First, because of provisions of the Health Insurance Portability and Accountability Act (HIPAA) and the Family Educational Rights and Privacy Act (FERPA), it is difficult for individuals employed by different agencies (school district, SBHC medical sponsor, CMHC) to share protected health information. Without proper parental notification and consent, separate medical records must be maintained. Second, the CMHC must adhere to HCPF’s documentation requirements, which represent an increased burden for staff and students. Finally, different and often incompatible electronic health record and practice management systems maintained by the SBHC medical sponsor and the CMHC prevent communication among health professionals and the delivery of fully integrated care.

### SPOTLIGHT ON KIDS CARE CLINIC IN GREELEY

Weld County School District 6 has been successfully operating a school-based health center in Greeley, Colorado, since 2004. Through multiple partnerships, the Kids Care Clinic provides integrated physical, behavioral, and oral health care to students enrolled in Centennial Elementary School (where it is located), Dos Rios Elementary, and Maplewood Elementary, as well as their siblings aged birth to 18. This program has developed a unique and successful approach to funding mental health services that could serve as a model for other communities. The program is described in Figure 5 below:

<b>Figure 5: Spotlight on Kids Care Clinic in Greeley</b>	
Partners	<ul style="list-style-type: none"> <li>• Sunrise Community Health Center (FQHC)</li> <li>• North Range Behavioral Health (CMHC)</li> <li>• Local Public Health Department</li> <li>• Weld County School District 6</li> <li>• North Colorado Health Alliance</li> </ul>
History	<ul style="list-style-type: none"> <li>• Ten years ago, the safety net provider agencies in Weld County established an informal collaboration called North Colorado Health Alliance, to promote coordination, integration, and expansion of services for low-income families. Its goals included developing a coordinated delivery system, treating the whole person, improving health outcomes, and stretching resources through integration and collaboration. The organizations agreed to increase access to care by working on several joint efforts: 1) electronic health records; 2) mobile medical van; 3) integrated behavioral health services; and 4) an SBHC.</li> <li>• North Range Behavioral Health, the Community Mental Health Center for the area, was already co-locating providers in the schools and wanted to reach more children. North Range, as one of four owners of the region’s BHO – Northeast Behavioral Health Partnership, LLC. – has been involved in the Medicaid mental health capitation program since 1994 and has actively reached out to Medicaid consumers since that date.</li> <li>• In 2007, the partners listed above established the Kids Care Clinic at Centennial</li> </ul>



**Figure 5: Spotlight on Kids Care Clinic in Greeley**

	<p>Elementary.</p> <ul style="list-style-type: none"> <li>In 2008, North Range and Island Grove (a substance abuse provider) merged to provide integrated behavioral health services.</li> </ul>
Strengths	<ul style="list-style-type: none"> <li>All the partners have a strong reputation in the community.</li> <li>All partners in the SBHC have a systems orientation. Behavioral health services offered at the SBHC are viewed as part of the overall behavioral health system in the community and as an essential component of primary care.</li> <li>The SBHC administrator is responsible for ongoing assessment of physical and mental health outcomes and feeding that information back to the partners.</li> </ul>
Financial Model	<ul style="list-style-type: none"> <li>North Range contracts with the school district to provide behavioral health services at the SBHC. North Range offers the same behavioral health services to all students, regardless of ability to pay. All students who need services get them in the same location, in the same amount, and from the same provider.</li> <li>All partners work hard to ensure that eligible children are enrolled in public coverage, resulting in a lower number of uninsured children.</li> <li>North Range shares its budget for behavioral health services with the SBHC administrator, who builds this into the total operating budget of the SBHC.</li> <li>North Range “shadow bills” all visits to track the number and types of services and the “value” of these services. For SBHC patients enrolled in Medicaid, North Range reports the number and value of services to HCPF. North Range completes a Colorado Client Assessment Record (CCAR)<sup>iv</sup> on enrolled/open patients. Based on this information, North Range receives “credit” for “penetration” of the target Medicaid population, generating a higher penetration rate, which affects North Range’s capitation rate.</li> <li>Based on the “shadow billing,” North Range allocates a portion of the Medicaid capitation payments it receives to SBHC revenue.</li> <li>For patients covered by CHP+ or private insurance, North Range bills the insurance carrier and tags the amount collected as SBHC revenue.</li> <li>The school district also applies for additional grant dollars. Additionally, the school district participates in Medicaid School Health Services Program (see page12) and provides North Range an agreed upon amount of these funds.</li> <li>The SBHC partners utilize a transparent process to determine funding sources. The SBHC creates an overall budget for anticipated services based on estimated volume. The partners agree on projected expenses and revenue sources, including Medicaid funds. All available revenue supports the expenses of all the SBHC partners. At year-end, the partners settle any discrepancies between the projected budget and actual expenses and revenue, allowing for a more transparent, equal partnership.</li> <li>Through combining all revenue streams (Medicaid capitation, insurance reimbursement, Medicaid School Health Services Program payments, and grant dollars) the cost of care provided to patients who are low income and uninsured is recovered.</li> </ul>

<sup>iv</sup> CCAR is a state demographic and clinical variables tool completed by clinical staff at admission, discharge and at least annually in between.



## KEY PRINCIPLES AND RECOMMENDATIONS

The challenges experienced by SBHCs vary by site. Several SBHCs have developed strong partnerships and effective processes with the CMHC or independent providers to support the provision of behavioral health services while other SBHCs continue to face numerous challenges that create barriers to care for SBHC patients. The best practices from the SBHCs with successful behavioral health services and funding models could be replicated in SBHCs statewide. Below is a list of key concepts and practices included in many successful SBHC models.

*1. SBHCs should provide integrated primary physical and behavioral health care on-site to all students who need these services, regardless of their ability to pay.<sup>v</sup>*

Co-location of primary care providers with mental health and certified addiction providers, consolidation of physical health and behavioral health records, and a team approach to developing treatment plans for students, regardless of ability to pay, should occur across all Colorado SBHC programs. Achieving this will require changes in public financing of mental health and substance abuse care, as well as capital funding to renovate facilities. In the meantime, cross-training providers in substance abuse counseling and mental health therapy; institutionalizing team meetings, case conferences, and other forms of care coordination; reducing staff and student administrative burden by creating a consolidated physical and behavioral health parental consent form; and training all staff on issues related to privacy of protected health information and confidentiality would be beneficial.

*2. All financial arrangements should be transparent and documented.*

Memoranda of understanding (contracts) between the SBHC and all partners should clearly state the financial obligations of each party. Likewise, all parties should contribute to the development of an annual consolidated budget that provides a reasonably accurate forecast of the cost to adequately serve all SBHC patients who need behavioral health services and the sources of revenue that will cover this cost. Finally, the MOU should spell out non-financial expectations for working together, including how referrals are to be made and how services are to be integrated and managed.

*3. SBHC administrators should investigate and utilize various funding streams to support integrated services.*

SBHCs should maximize public reimbursement where possible. Utilizing behavioral health providers, including the CMHC or independent providers, who are contracted with the regional BHO, ensures that SBHCs can be reimbursed indirectly for serving the Medicaid population. Ideally, these providers would also be contracted to provide services to children on CHP+ and other private insurance. Additionally, collaborative efforts to enroll eligible students into Medicaid and CHP+ will increase reimbursements to the CMHC or independent provider under the current system, and reduce the number of students who have no payer source.

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<sup>v</sup> For some students, integration of physical and behavioral health services at the SBHC site may not be the best option. SBHCs may not be appropriate facilities for students in need of intensive behavioral health services, which are more suitable at an off-site location.

SBHC programs supported by grant funds should comprehensively review all available funding sources and identify longer-term and stable funding to sustain the programs over time. The Medicaid School Health Services Program is a creative and stable funding stream. This program reimburses school districts for certain health and medical services provided to Medicaid beneficiaries who have an Individualized Education Plan or an Individualized Family Service Plan. The program is administered jointly by the Department of Health Care Policy and Financing and the Department of Education. According to the law that created the program, school districts must use Medicaid School Health Services Program reimbursements to provide health and medical services that benefit students. Therefore, they could be used to support services provided by the SBHC.

#### *4. Fragmentation of health care services for children and adolescents should be reduced.*

School district staff and SBHC physical and behavioral health staff should develop a shared plan and a formal process for regularly assessing, evaluating, and communicating with each other about the need for behavioral health services among the students served and gaps in delivering and financing these services. This joint assessment would increase awareness of issues affecting students and reduce duplication and fragmentation of services to families.

To facilitate disclosure of educational and health records of students with behavioral health needs, SBHCs should inform parents of privacy laws and ask them to sign a consent form that allows SBHC partner agencies to share protected health and educational records. To be most effective, this form should allow school personnel to release health information contained in the educational record to SBHC staff, and SBHC staff to release health information to school personnel when disclosure is in the best interest of the child.

## **POLICY IMPLICATIONS FOR FINANCING BEHAVIORAL HEALTH SERVICES AT SCHOOL-BASED HEALTH CENTERS**

The following includes a list of options to address the systemic barriers identified throughout the report.

### *1. Expand the network of mental health providers who can participate in the Medicaid Community Mental Health Program*

HCPF should encourage the contracted BHOs to include qualified SBHC providers in their networks so that they can receive Medicaid reimbursement. BHOs are required to offer SBHCs the opportunity to contract since they are included in the state's definition of "essential community providers."<sup>10</sup> Additional conversation is needed to better understand the scope of this obligation and opportunities for SBHCs to strengthen partnerships with the BHOs.

### *2. Convene stakeholders to discuss the implications of exempting SBHCs from the Medicaid Community Mental Health Programs' capitation payment system and allowing direct fee-for-service reimbursement for primary behavioral health services provided to Medicaid beneficiaries.*

A small amount of funding appropriated to the Medicaid Community Mental Health Program is currently used to support fee-for-service reimbursement for certain Medicaid clients receiving certain services. Consider allowing SBHCs to directly bill HCPF for services so that they can provide integrated physical and behavioral health care on-site to all students. Standards and review procedures would need to be

established to ensure that the SBHCs provide quality and appropriate services similar to HCPF’s standards for BHOs.

### *3. Encourage SBHC participation in Accountable Care Collaboratives through rule-making*

HCPF is implementing a new model to manage and pay for Medicaid services. The Accountable Care Collaborative is a client-centered approach that is focused on delivering efficient and coordinated care that improves the overall health of clients. This model of care is financed by investing directly in community infrastructure to support care teams and care coordination. It creates aligned incentives to measurably improve client health and reduce avoidable health care costs.”<sup>11</sup> Although initial implementation will occur in seven pilot regions across Colorado, the integration of behavioral health services in the Accountable Care Collaborative offers an additional opportunity for SBHCs to strengthen behavioral health services. It could also provide an opportunity for mental health and physical health providers to work together more effectively and be equally accountable for the best results.

## **CONCLUSION**

Our study provided valuable information about the financing of behavioral health services within SBHC programs. Most of Colorado’s SBHCs have developed formal partnerships with CMHCs to facilitate providing comprehensive services to vulnerable children and adolescents where they spend a great deal of their time — in school. However, the structure and strength of these partnerships vary greatly from community to community and, in some cases, do not allow the SBHC to provide integrated services seamlessly to all students who need them. Keys to success seem to be:

- A shared vision that all children deserve the care necessary to optimize health and well-being
- Recognition of the value that each organization brings to the table
- Transparency and trust among all partners
- A strong interagency steering committee that meets regularly to guide operations and reward the efforts of all partners
- All partners making a financial investment in the partnership by bringing stable funding to the table
- At least one partner with provider status in the area’s Medicaid-contracted BHO and contributing its Medicaid revenue to the “pot” of money available to serve all patients
- A comprehensive SBHC budget developed annually which defines the financial contributions of each partner and details the revenue and expense related to providing services to all students

While SBHC programs and CMHC partners noted several benefits from their collaboration, it is clear that certain systemic issues make financing behavioral health services within an SBHC challenging. Indeed, the need to piece together funds from a variety of sources, all with differing requirements, is a serious

obstacle if the goal is to provide the same quality and quantity of care by the same providers in the same location to all students who need it.

In the short term, consolidating patient health information and sharing administrative processes among partners will improve clinical integration. The Colorado Association for School-Based Health Care (CASBHC) can facilitate the replication of successful processes and models in SBHC behavioral health financing by working with SBHCs, CMHCs, and the Colorado Behavioral Health Care Council to develop guidance. In the long term, modification to state policies may be needed to reduce systemic barriers to behavioral health care within SBHC settings.

## APPENDIX: COLORADO BEHAVIORAL HEALTHCARE COUNCIL MEMBERS

Adapted from the Colorado Behavioral Healthcare Council (Colorado Behavioral Healthcare Council 2011)

CENTERS AND COUNTIES SERVED	BHOs
<p><b>Mental Health Center of Denver (MHCD)</b></p>	<p><b>Access Behavioral Care</b></p> <p><i>Access Behavioral Care (ABC), is a division of a not-for-profit HMO, Colorado Access. Access Behavioral Care is a nonprofit organization of providers for mental health services for Medicaid consumers in Denver County. MHCD is a member of the Management Council of ABC and a partner of the BHO for the provision of Medicaid services.</i></p>
<p><b>Arapahoe/Douglas MHN</b> (Arapahoe &amp; Douglas)</p> <p><b>Aurora MHC</b> (Adams &amp; Arapahoe)</p> <p><b>Community Reach Center</b> (Adams, except Aurora)</p>	<p><b>Behavioral Healthcare, Inc.</b></p> <p><i>BHI or Behavioral HealthCare, Inc., is a non-profit managed-care company that holds the Medicaid mental health contract in Arapahoe, Adams, and Douglas counties, including the City of Aurora.</i></p>
<p><b>Mental Health Partners</b> (Boulder &amp; Broomfield)</p> <p><b>Jefferson Center for Mental Health</b> (Jefferson, Clear Creek, Gilpin)</p>	<p><b>Foothills Behavioral Health Partners, LLC</b></p> <p><i>Foothills Behavioral Health Partners, LLC, (FBHP) manages mental health benefits for persons enrolled in the Colorado Medicaid program and living in Boulder, Broomfield, Clear Creek, Gilpin, or Jefferson counties.</i></p>
<p><b>North Range Behavioral Health</b> (Weld)</p> <p><b>Centennial MHC</b> (Logan, Sedgwick, Phillips, Yuma, Washington, Morgan, Elbert, Lincoln, Kit Carson, Cheyenne)</p> <p><b>Larimer Center for Mental Health</b> (Larimer)</p>	<p><b>Northeast Behavioral Health Partnership, LLC</b></p> <p><i>Northeast Behavioral Health Partnership, LLC, (NBHP) is the Behavioral Healthcare Organization operating to ensure that the mental health treatment needs of Medicaid recipients in 12 counties in northeast Colorado are fully met.</i></p>
<p><b>Colorado West RMHC</b> (Moffat, Rio Blanco, Garfield, Mesa, Pitkin, Eagle, Grand, Jackson, Routt, Summit)</p> <p><b>Midwestern Colorado MHC</b> (Gunnison, Delta, Montrose, San Miguel, Ouray, Hinsdale)</p> <p><b>AspenPointe</b> (El Paso, Teller, Park)</p> <p><b>San Luis Valley CCMHC</b> (Saguache, Mineral, Rio Grande, Alamosa, Conejos, Costilla)</p> <p><b>Spanish Peaks MHC</b> (Pueblo, Huerfano, Las Animas)</p> <p><b>Southeastern MHS</b> (Crowley, Kiowa, Otero, Bent, Prowers, Baca)</p> <p><b>Southwest Colorado MHC</b> (Dolores, San Juan, Montezuma, La Plata, Archuleta)</p> <p><b>West Central MHC</b> (Fremont, Custer, Chaffee, Lake)</p>	<p><b>Colorado Health Partnerships</b> (CHP)</p> <p><i>Colorado Health Partnerships, LLC, dba Colorado Health Networks (CHN) is composed of providers, eight Community Mental Health Centers and ValueOptions, the leading public-sector managed behavioral healthcare organization in the country. This Partnership includes three provider-owned LLCs: Pikes Peak Medicaid LLC, SyCare LLC, and West Slope Casa LLC. These three LLCs encompass eight community mental health centers with responsibility for community mental health services in 43 counties.</i></p>

## ENDNOTES

<sup>1</sup> Joseph E. Zins, Michelle R. Bloodworth, Roger P. Weissber, Herbert J. Walberg. "The scientific base linking social and emotional learning to school success". In *Building academic success on social and emotional learning: What does the research say?*, by R. Weissberg, M. Wang, H.J. Walberg J. Zins, 3-22. New York: Teachers College Press, 2004.

<sup>2</sup> Wagner, Mary M. "Outcomes for Youths with Serious Emotional Disturbance in Secondary School and Early Adulthood." *Critical Issues for Children and Youths*, Summer/Fall 1995: Volume 5 Number 2.

<sup>3</sup> Western Interstate Commission for Higher Education. *Colorado Population in Need 2009*. Denver: Colorado Division of Behavioral Health, Colorado Office of Behavioral Health and Housing, Colorado Department of Human Services, 2009.

<sup>4</sup> National Assembly on School-Based Health Care. *Advantages of Mental Health Services in SBHC Setting*. 2010. [http://www.nasbhc.org/site/c.jslPKWPFJrH/b.3019127/k.88AB/MH\\_Advantages.htm](http://www.nasbhc.org/site/c.jslPKWPFJrH/b.3019127/k.88AB/MH_Advantages.htm) (accessed February 16, 2010).

<sup>5</sup> Colorado General Assembly Joint Budget Committee. FY 2011-2012 Staff Budget Briefing: Department of Health Care Policy and Financing (Medicaid Mental Health Community Programs) and Department of Human Services (Mental Health and Alcohol and Drug Abuse Services). Denver, Colorado: Joint Budget Committee Staff, 2010.

<sup>6</sup> Colorado Revised Statute. April 29, 2010. Chapter 188 § 2. Pg. 701.

<sup>7</sup> Colorado Behavioral Healthcare Council. Behavioral Health Organizations List. 2011. <http://www.cbhc.org/news/wp-content/uploads/2006/12/BHO-Geographic-Map-with-Links.pdf> (accessed May 24, 2011).

<sup>8</sup> Colorado Department of Health Care Policy and Financing and Department of Human Services. "FY 2011-12 Joint Budget Committee Hearing Agenda." Denver, Colorado: Author, 2010, 16.

<sup>9</sup> Colorado Department of Human Services Division of Behavioral Health. Priority/Target Population. April 3, 2009. [http://www.cdhs.state.co.us/dmh/priority\\_populations.htm](http://www.cdhs.state.co.us/dmh/priority_populations.htm) (accessed December 17, 2010).

<sup>10</sup> Colorado Revised Statutes. July 1, 2006. Title 25.5; Article 5: Colorado Medical Assistance Act; Part 404 (2) "Selection of Managed Care Entities". § 7, p. 1885.

<sup>11</sup> Colorado Department of Health Care Policy and Financing. *Colorado Department of Health Care Policy and Financing*. 2010. <http://www.colorado.gov/cs/Satellite/HCPF/HCPF/1233759745246> (accessed December 13, 2010).



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