for a diverse, competent, and sustainable
Medicaid mental health workforce

Policy Title: HCPF Rule Changes Procedures

Challenge: Colorado supports Medicaid mental health care through management by the state's Department of Healthcare Policy and Financing. HCPF creates rules that impact the providers and the consumers of mental health care. HCPF does not follow the state procedure for creating or modifying rules. Creating rules without following the Board procedures that rule writing requires causes confusion and doubt in the provider community.

Example 1: HCPF was required by law to cover Medicaid services for children without a diagnosis (HB__). In order to support this law, a set of "Z codes" were introduced as substitutes for the diagnosis. The Z codes relate to non-clinical social determinants such as "access to clean water" that the clinical community has no training to assess. This rule was created and promulgated entirely without input from the provider community.

Example 2: HCPF created a "supervision" policy in 2025 without consultation with the provider community. In that process it became apparent that separate policies were needed for clinical practice supervision, administrative supervision, and peer support supervision. There was no Board process for rule setting.

Example 3: HCPF used their federally given power (called "directed payments") to set a minimum rate for the Essential Safety Net Provider program, with no Board process. It is still unknown how those rates were set. Then HCPF relaxed that requirement and the managed care operators promptly lowered rates. The decision to relax the directed payment policy also had no Board oversight.

Example 4: HCPF decided to follow federal MUE and NCCI tables for utilization management, without consultation or stakeholding with the provider community. This has created a bind for SUD providers who are mandated to provide 2 hour groups, and can now only be reimbursed for the first hour.

Proposal: Amend CRS _ to require regular Board process for HCPF rulemaking.

Fiscal Note: 0$