

## COLORADO

*This summary of state regulations and policy represents only a snapshot at a point in time, is not comprehensive, and should not be taken to constitute legal advice or guidance. State Medicaid requirements are included at the end of this summary.*

### Types of Facilities

*Mental Health (MH) and Substance Use Disorder (SUD):* Colorado regulates Acute Treatment Units (ATUs). An ATU is a designated facility or a distinct part of a facility for short-term psychiatric care. An ATU provides a 24 hour, therapeutically planned and professionally staffed environment for individuals who do not require inpatient hospitalization but need more intense and individualized services, such as crisis management and stabilization services, than are available on an outpatient basis. The following are ATU types which may provide either MH or SUD treatment:

- A Crisis Stabilization Unit (CSU) may be located in an ATU (or elsewhere in a nonresidential setting) and is a “facility, utilizing a restrictive egress alert device, which serves individuals requiring 24-hour intensive behavioral health crisis intervention for up to five days and cannot be accommodated in a less restrictive environment.”

*Mental Health (MH):* An ATU also may apply for specific designation to provide any or all of the following for MH treatment:

- Seventy-two hour treatment and evaluation: Facilities that are designated as seventy-two (72) hour treatment and evaluation facilities may detain on an involuntary basis persons placed on a seventy-two (72) hour hold for the purpose of evaluation and treatment, excluding Saturdays, Sundays, and holidays, if evaluation and treatment services are not available on those days.
- Short-term treatment: Facilities that are designated as short-term treatment facilities may involuntarily detain individuals for short-term (a period of not more than three months) or extended short-term care and treatment (a period of not more than an additional three months).
- Long-term treatment: Facilities that are designated as long-term treatment facilities may involuntarily detain individuals for long-term care and treatment (a period not to exceed six months) or extended long-term treatment (a period of not more than additional six months).

*Substance Use Disorder (SUD):* Colorado regulates adult SUD residential treatment programs in alignment with the ASAM Levels of Care, as follows:

- ASAM Level 3.1 (Clinically Managed Low-Intensity Residential Services)
- ASAM Level 3.2-WM (Clinically Managed Residential Withdrawal Management)
- ASAM Level 3.3 (Clinically Managed Population-Specific High-Intensity Residential Services)
- ASAM Level 3.5 (Clinically Managed High-Intensity Residential Services)
- ASAM Level 3.7 (Medically Monitored Intensive Inpatient Services) may be offered in residential settings
- ASAM Level 3.7-WM (Medically Monitored Inpatient Withdrawal Management) may be provided in residential settings

*Unregulated Facilities:* State staff indicate that, because a license is only required for SUD facilities if they receive public funds, serve individuals in the criminal justice system, or dispense, compound, or administer controlled substances, there may be SUD residential treatment programs in the state that are not licensed or known to the state government. In 2019, the legislature passed a law<sup>1</sup> that will require all SUD treatment providers to be licensed by 2024. Similarly, designation is only required for MH facilities receiving public funds.

## **Approach**

The Colorado Department of Human Services, Office of Behavioral Health (OBH) regulates and provides designation for all adult residential MH treatment facilities that receive public funds or initiate an involuntary hold on a person with mental illness (a “27-65 designation”). The OBH also regulates and licenses all adult residential SUD treatment facilities that receive public funds, serve individuals in the criminal justice system, or dispense, compound, or administer controlled substances. In addition, the Colorado Department of Public Health and Environment (DPHE) oversees and licenses ATUs and CSUs. The focus of DPHE oversight is safety, whereas OBH oversees clinical and treatment components of ATUs.

---

<sup>1</sup> See <https://leg.colorado.gov/bills/hb19-1237>.

## **Processes of Licensure or Certification and Accreditation**

*Mental Health (MH) and Substance Use Disorder (SUD):* Designation by the OBH is required for all residential ATUs that receive public funds or initiate an involuntary hold on a person with mental illness. The DPHE also licenses MH ATUs on the basis of program approval by the OBH.

- Accreditation is not required.
- An on-site evaluation is required for designation.
- The state does not require a Certificate of Need.
- OBH designation duration is two years, with shorter periods for provisional designation.

*Substance Use Disorder (SUD):* Licensure by the OBH is required for all residential treatment facilities providing SUD services, that receive public funds, serve individuals in the criminal justice system, or dispense, compound, or administer controlled substances.

- Accreditation is not required.
- An inspection is required for initial licensure and renewal.
- The state does not require a Certificate of Need.
- Licensure duration is two years.
- See also above regarding ATUs.

## **Cause-Based Monitoring**

*Mental Health (MH) and Substance Use Disorder (SUD):* Both licensed and designated organizations are required to submit requested data in an accurate and timely manner to the OBH. Additionally, at OBH discretion, a license or designation may be revoked, denied, suspended, modified or have limited licenses or designation. The OBH may conduct scheduled or unscheduled site reviews for specific monitoring purposes and investigation of critical incidents reports.

- For ATUs, the DPHE also may cite deficiencies, investigate, and require submission and completion of a plan of correction.

## Access Requirements

*Mental Health (MH) and Substance Use Disorder (SUD):* Regulations relating to wait times for non-priority populations were not located. Other requirements regarding access include the following for CSUs, which must be able to serve:

1. Children, adolescents, adults and older adults.
2. Individuals with co-occurring conditions, including:
  - a. Mental health conditions
  - b. Substance use disorders
  - c. Medical needs
  - d. Intellectual/developmental disabilities
  - e. Physical disabilities
  - f. Traumatic brain injuries
  - g. Dementia
3. Individuals demonstrating aggressive behavior
4. Individuals who are uninsured or unable to pay for services
5. Individuals who may lack Colorado residency or legal immigration status.

*Substance Use Disorder (SUD):* Pregnant or parenting women have priority admission to substance use treatment facilities within 48 hours.

## Staffing

*Mental Health (MH) and Substance Use Disorder (SUD):* The OBH requires that all MH and SUD facilities adhere to general personnel provisions, including having written personnel policies and procedures that ensure personnel are assigned duties commensurate with documented education, training, work experience, and professional licenses and certifications. Personnel must receive the following training when first hired and on a periodic basis: (1) Training specific to the particular needs of the populations served; (2) Orientation of the physical plant; (3) Emergency preparedness; (4) Individual rights of the population served; (5) Confidentiality (individual privacy and records privacy and security); and (6) Training on needs identified through the quality improvement program.

The OBH requires ATUs to provide specific staff training before providing care. Within one month of hire, additional training must be provided on assessment skills, infection control, behavior management and de-escalation techniques (including for incidents involving suicide), health emergency response, and behavioral/psychiatric emergency response. All staff must

receive training or facility certification of competency annually. Staff who administer involuntary medications or who administer restraint/seclusion techniques require additional annual training. ATUs must employ sufficient staff to meet individual needs, with ratios and other requirements. Regulations describe requirements for the education, experience, and responsibilities of the director and clinical director. The existence of a physician medical director is assumed in the regulations.

As part of DPHE licensure requirements, ATUs also must satisfy staffing standards related to communicable diseases and training regarding emergency preparedness at orientation and on-going.

- A CSU has additional requirements related to access to a physician or other professional authorized to order medications; at least one on-site staff member qualified to administer medications; skilled professionals who are licensed or receiving supervision from a licensed mental health professional, and peer support. The CSU must employ sufficient staff to ensure that the provision of services meets the needs of individuals. At minimum, a facility must have two staff on-site at all times.

#### *Mental Health (MH):*

- Facilities designated for seventy-two (72) hour treatment and evaluation, short-term, or long-term treatment, must have a person who is licensed in Colorado to practice medicine or a certified Colorado psychologist, either employed or under contract, who is responsible for the evaluation and treatment of each individual. The facility must ensure the availability of emergency medical care, including having and adhering to a written plan for providing emergency medical care that meets specific requirements.
- Every person receiving treatment for a mental health disorder by a designated short-term or long-term facility must, upon admission be placed under the care of a person who is licensed in Colorado to practice medicine or a certified Colorado psychologist and employed by or under contract with the designated facility. The facility must ensure the availability of emergency medical, including having and adhering to a written plan for providing emergency medical care that meets specific requirements.

*Substance Use Disorder (SUD):* Staff qualifications, including education, professional credentials, training and supervision, and work experience must be in accordance with Addiction Counselor Certification and Licensure Standards. Specific requirements are in place for treatment staff, including staff providing psychotherapy and addiction counseling. Medical staff and treatment staff licensed as behavioral healthcare practitioners in the state must meet additional requirements. Staff must receive orientation and annual training in methods of preventing and controlling infectious diseases. There are additional training requirements for staff that collect samples for drug and alcohol testing. Ratios are established for all levels of SU treatment.

## **Placement**

*Mental Health (MH) and Substance Use Disorder (SUD):* The OBH requires MH and SUD facilities to complete a comprehensive best practices assessment as soon as reasonable upon admission and no later than seven (7) business days of admission into services with the exceptions noted below.

ATUs must develop admission criteria based on the ability to meet patient needs. The criteria should be linked to a comprehensive pre-admission assessment, completed within 24 hours of admission, that includes the mental and physical health, substance use, and capacity for self-care of the prospective patient. This assessment shall be used to determine the level of intervention and supervision required for patient needs.

*Mental Health (MH):* Seventy-two hour treatment and evaluation facilities and short and long-term facilities must complete evaluation as soon as possible after admission and a physical evaluation within 24 hours.

*Substance Use Disorder (SUD):* SUD treatment facilities are required to use ASAM patient placement criteria. Withdrawal management units must conduct a comprehensive assessment within 72 hours of admission; all others must complete the assessment within 7 days.

## **Treatment and Discharge Planning and Aftercare Services**

*Mental Health (MH) and Substance Use Disorder (SUD):* The OBH requires MH and SUD programs to develop an individualized service plan, with an initial plan developed within 24 hours of admission. The comprehensive service plan must be completed as soon as possible after admission but no later than: (1) ATUs 24 hours after admission; and (2) withdrawal management, 72 hours after admission, and other residential treatment, 10 days after assessment. The plan should be updated on an ongoing basis to address significant changes and confirm the facility is meeting patient needs no later than: (1) ATUs and withdrawal management, 3 days after the change occurs; and (2) other residential treatment monthly for 6 months and quarterly thereafter. Discharge planning begins during the development of the initial safety and stabilization plan.

## **Treatment Services**

*Mental Health (MH) and Substance Use Disorder (SUD):* The OBH requires ATUs to provide a continuum of intervention and supervision services, including medication management, behavioral health services, and stabilization.

- CSUs must provide services in a culturally competent manner. CSUs must employ an integrated care model based on evidence-based practices that consider an individual's physical and emotional health. They must include screening, assessment, and referrals to appropriate resources as further specified in the regulations. Services provided on a crisis stabilization unit must include: (a) Full psychiatric evaluation: (1) By a physician or other professional authorized by statute to order medications; and, (2) Within 24 hours of admission. (b) Medical and medication treatment. (c) Service planning. (d) Peer support, when clinically appropriate. (e) Treatment, to include: (1) Individual counseling; and/or, (2) Groups. (f) Coordination with medical services. (g) Case management. (h) Service coordination and referral. (i) Discharge planning.

*Substance Use Disorder (SUD):* In addition to the treatment services described in the level descriptions in 1.a., all levels of care must give special consideration to the individuals' identified medical and psychiatric needs in planning treatment. Different levels of care offer a range of treatment approaches and support services based on individual readiness to change and focus on identified substance use disorder education and treatment needs. Treatment approaches and support services may include: (1) Group and individual therapy and education; (2) Relapse prevention; (3) Building support systems; (4) Developing coping skills; (5) Education on substance use disorders; (6) Vocational counseling; (7) Life skills training; (8) Self-help groups; and (9) Milieu therapy. Other than level 3.2, all levels of care include requirements for clinical service hours. Specific requirements for levels 3.1, 3.2-WM, 3.3, 3.5, 3.7, and 3.7-WM follow the ASAM requirements per level.

## **Patient Rights and Safety Standards**

*Mental Health (MH) and Substance Use Disorder (SUD):* Residents have rights that include, among others, to be informed of their rights, to be treated in the least restrictive setting, communication, confidentiality, and to file a grievance. Data on submitted grievances must be reported annually to the OBH. Critical incidents must be reported to the OBH within 24 hours.

Designated facilities where individuals are detained are authorized to use physical management, restraint or seclusion at the facility over the person's objection. Otherwise, there must be a signed consent for such an intervention. Regulations restrict how and when restraint and seclusion may be used.

## **Quality Assurance or Improvement**

*Mental Health (MH) and Substance Use Disorder (SUD):* All facilities designated or licensed by the OBH must have a quality improvement program that monitors, evaluates, and initiates quality improvement activities. A written plan is required with five specific elements: clinical quality measures of performance; clinical review of a representative sample of open and closed

records at a minimum of every 6 months; identification of and response to critical incident trends and patient grievances; documentation of quality improvement findings incorporated into clinical and organizational planning; and an annual evaluation that results in an update to the quality improvement plan as necessary. A copy of the annual findings and report must be available for review.

## **Governance**

*Mental Health (MH) and Substance Use Disorder (SUD):* The OBH has governance standards in place for licensed and/or designated entities in Colorado that include but are not limited to providing and maintaining policies and procedures and compliance with applicable federal and state regulations.

- Additional DPHE licensure regulations for ATUs address governance in the context of facility safety.

## **Special Populations**

*Mental Health (MH) and Substance Use Disorder (SUD):* See Access above regarding requirements for special populations and others.

## **Location of Regulatory and Licensing Requirements**

2 CCR 502-1<sup>2</sup>; 6 CCR 1011-1<sup>3</sup>; DHS Behavioral Health Designation and Licensing website<sup>4</sup>; DPHE ATU website<sup>5</sup>. Regulatory requirements reviewed May 2, 2019.

## **Other Information Sources**

T. Miller (OBH); National Conference of State Legislatures CON Program Overview, <http://www.ncsl.org/research/health/con-certificate-of-need-state-laws.aspx>

---

<sup>2</sup> See

<https://www.sos.state.co.us/CCR/GenerateRulePdf.do?ruleVersionId=7825&fileName=2%20&%20GENERAL:%20https://www.colorado.gov/cdhs>.

<sup>3</sup> See <https://www.sos.state.co.us/CCR/GenerateRulePdf.do?ruleVersionId=5331>.

<sup>4</sup> See <https://www.colorado.gov/pacific/cdhs/behavioral-health-designation-and-licensing>.

<sup>5</sup> See <https://www.colorado.gov/pacific/cdphe/acute-treatment-units>.



# COLORADO MEDICAID

*This summary of state regulations and policy represents only a snapshot at a point in time, is not comprehensive, and should not be taken to constitute legal advice or guidance. State Medicaid requirements are included at the end of this summary.*

## Approach

The Colorado Department of Health Care Policy and Financing (HCPF) oversees the state Medicaid program. Colorado does not have a relevant Section 1115 waiver that affects reimbursement of residential services in Institutions for Mental Diseases (IMDs) although it does have a pending application. It historically has relied to some extent on the in lieu of provision but not on Disproportionate Share Hospital (DSH) payments to reimburse certain services in IMDs.

## Types of Facilities

*Mental Health (MH):* Residential Services may enroll as Medicaid providers. These offer 24 hour care, excluding room and board, provided in a non-hospital, non-nursing home setting, appropriate for adults whose MH issues and symptoms are severe enough to require a 24-hour structured program but do not require hospitalization. Services are provided in the setting where the client is living, in real-time, with immediate interventions available as needed.

*Substance Use Disorder (SUD):* No explicit evidence of Medicaid coverage of adult residential SUD treatment was located, although Detoxification Services generally are covered. These are defined as services relating to detoxification including all of the following, although it is not clear they may be offered in a residential setting: Physical assessment of detoxification progression including vital signs monitoring; level of motivation assessment for treatment evaluation; provision of daily living needs (includes hydration, nutrition, cleanliness and toiletry); safety assessment, including suicidal ideation and other behavioral health issues.

## Processes of Medicaid Enrollment

*Mental Health (MH) and Substance Use Disorder (SUD):* To enroll as a Colorado Medicaid provider, the facility must, among other things, be licensed or certified as may be required by state law to provide services. All enrolling and re-validating providers must be screened in accordance with requirements appropriate to their categorical risk level.

## **Staffing**

*Mental Health (MH) and Substance Use Disorder (SUD):* Requirements specific to staffing for adult residential treatment services were not explicitly described in the state Medicaid regulations.

## **Placement**

*Mental Health (MH) and Substance Use Disorder (SUD):* Residential Services are appropriate for adults whose mental health issues and symptoms are severe enough to require a 24-hour structured program but do not require hospitalization.

## **Treatment and Discharge Planning and Aftercare Services**

*Mental Health (MH) and Substance Use Disorder (SUD):* Requirements specific to treatment or discharge planning or aftercare services for adult residential treatment services were not explicitly described in the state Medicaid regulations.

## **Treatment Services**

*Mental Health (MH) and Substance Use Disorder (SUD):* Clinical interventions include assessment and monitoring of mental and physical health status; assessment and monitoring of safety; assessment of/support for motivation for treatment; assessment of ability to provide for daily living needs; observation and assessment of group interactions; individual, group and family therapy; medication management; and behavioral interventions.

## **Care Coordination**

*Mental Health (MH) and Substance Use Disorder (SUD):* Requirements specific to care coordination for adult residential treatment services were not explicitly described in the state Medicaid regulations.

## **Quality Assurance or Improvement**

*Mental Health (MH) and Substance Use Disorder (SUD):* Providers and Managed Care Entities must comply with annual EQR activities. EQR may include but is not limited to the following activities: (1) Performance improvement projects. (2) Performance improvement project validation. (3) Performance improvement measurement. (4) Performance improvement

measurement validation. (5) Consumer satisfaction survey. (6) Medical record review. (7) Review of individual cases. (8) PCPP credentialing and recredentialing.

## Special Populations

*Mental Health (MH) and Substance Use Disorder (SUD)*: Requirements specific to special populations for adult residential treatment services were not explicitly described in the state Medicaid regulations.

## Location of Medicaid Requirements

Colorado Department of Healthcare Policy and Financing Medical Assistance Program Rules and Regulations, <https://www.colorado.gov/pacific/hcpf/department-program-rules-and-regulations>. Regulatory data collected January 1, 2020.

## Other Information Sources

Kaiser Family Foundation. State Options for Medicaid Coverage of Inpatient Behavioral Health Services. KFF: San Francisco. November 2019 <http://files.kff.org/attachment/Report-Brief-State-Options-for-Medicaid-Coverage-of-Inpatient-Behavioral-Health-Services>

This state summary is part of the report “**State Residential Treatment for Behavioral Health Conditions: Regulation and Policy**”. The full report and other state summaries are available at <https://aspe.hhs.gov/state-bh-residential-treatment>.