Behavioral Health Ombudsman of Colorado

2024-2025 ANNUAL REPORT

The Office of the Ombudsman for Behavioral Health Access to Care

www.bhoco.org
ombuds@bhoco.org
Phone 303.866.2789

MISSION

The Behavioral Health Ombudsman of Colorado (BHOCO) works to improve mental health and substance use care coverage and access in Colorado by conducting inquiries into concerns and complaints, gathering data, delivering recommendations for reform, and helping those who are seeking care or providing care navigate complicated systems.

VALUES

Independent
BHOCO operates independently from Colorado's governmental agencies, insurance carriers, and behavioral health providers. We serve the people of Colorado.

Neutral
BHOCO acts as an impartial receiver of concerns, complaints and data, and has a statutory mandate to maintain transparency and report on our work to the public.

Confidential
BHOCO does not disclose identifying information without permission unless it is necessary to address imminent risk of serious harm.

Inclusive
BHOCO believes that this office needs to be available to all residents of Colorado regardless of insurance coverage. We seek to be a safe and accessible space for persons of any ability or identity.

ABOUT BHOCO

Access to appropriate behavioral health coverage is essential to ensuring Coloradans can receive the preventive and treatment services they need. Too often, individuals seeking care lack the time, resources, and support required to navigate complex benefit structures or reimbursement processes. In addition, many are not fully aware of their rights to parity in coverage, leaving them without the services they are entitled to receive.

The Office of the Ombudsman for Behavioral Health Access to Care, also known as the Office of the Behavioral Health Ombudsman of Colorado (BHOCO) was established by Colorado House Bill 18-1357 and House Bill 19-1269 to work with community based organizations, state agencies, and providers to better serve the behavioral health community, and to educate consumers of their rights to insurance coverage and help them navigate the insurance system. The role of the BHOCO, as defined by statute, is to:

- Interact with consumers and health care providers with concerns or complaints to help resolve behavioral health care access and coverage issues.
- Identify, track and report to the appropriate regulatory or oversight agency concerns, complaints and potential violations of state or federal rules, regulations or statutes concerning the availability of, and terms and conditions of, benefits for mental health conditions or substance use disorders, including potential violations related to quantitative and nonquantitative treatment limitations.
- Receive and assist consumers and providers in reporting concerns and filing complaints with appropriate regulatory or oversight agencies relating to inappropriate care, an emergency procedure under section 27-65-105, a certification for short-term treatment under section 27-65-107, or a certification for long-term care and treatment under section 27-65-109.
- Provide appropriate information to help consumers obtain behavioral health care.
- Develop appropriate points of contact for referrals to other state and federal agencies.
- Provide appropriate information to help consumers or health care providers file appeals or complaints with the appropriate entities, including insurers and other state and federal agencies.

OVERVIEW & PRIORITIES

The Behavioral Health Ombudsman of Colorado continued to focus primarily on three priorities in 2024-25:

1. *Caseload management and issue identification: Individuals*
2. *Caseload management and issue identification: systems, regulations, parity and coverage*
3. *Long-term strategic and sustainability planning*

Over the past year, BHOCO received and responded to more than 300 new cases. These cases involved individuals who lacked access to appropriate behavioral health services and long-term supports, as well as cases involving systemic concerns raised by providers, groups of providers, or other professionals connected to the behavioral health system.

The office has continued to prioritize the needs of people seeking access to behavioral health services on behalf of themselves or others. In addition to direct outreach from those needing assistance for themselves or family members, the office continued to receive calls from providers, care managers, and local and state agencies. Many of these situations required assistance on complex cases, often seeking our participation on complicated and urgent care coordination calls.

While numerous agencies across the state work diligently to provide, fund, or coordinate behavioral health services, efforts are often limited by statutory or regulatory scope. The ombudsman office is uniquely situated to be able to receive inquiries from anyone regardless of whether they have commercial, state or federally regulated insurance coverage, Medicaid, Medicare, other public benefits, or no coverage at all. Because the office neither provides nor funds direct behavioral health care services, it is not limited by type of funding source, geographical location, facility or service type, or connection to any other state or local system. Cases handled by the office frequently span multiple systems, including health care, education, housing, judicial, and child or adult protection services. The office is often asked to help navigate multiple systems and/or facilitate assistance from other entities within these systems.

NOTABLE **TRENDS & ISSUES**

Consistent with prior years, the cases the office receives are often complex and require intensive, individualized support. As an Ombudsman office, our goal is to be responsive to those who are seeking assistance or guidance for themselves or someone else. This includes individuals with lived experience, family members, health care providers, and other professionals engaged in the behavioral health system. BHOCO ensures callers are connected with resources where appropriate, people are able to navigate or obtain care, and possible coverage concerns or violations are reported.

Besides individual cases, the office also continues to receive calls from providers and groups of providers concerned about systemic issues. For example: hospitals calling with concerns about lack of placement options for individuals who need long-term care, providers concerned about billing or reimbursement rates, and groups of providers concerned about possible parity violations related to a lack of coverage for certain treatment options.

While each case is unique, each year the office notes shared, systemic issues across multiple cases. It is worth noting that some progress has been observed on systemic issues over the five years since creation of the office. For example, the crucial roles of Medicaid care coordinators appear to be clearer and more accessible, resulting in quicker and smoother assembling of care teams for individuals with urgent or significant needs.

However, the majority of the issues noted by the office over the last five years have persisted–or grown. Lack of resources, for example, was covered extensively in the 2022-23 report here and remains an issue today.

This year, the office is outlining three urgent issues as follow, and also encourages readers to continue to take note of previously defined issues in past reports here.

NOTABLE
TRENDS & ISSUES

ISSUE 1. Lack of clear facility oversight

One of BHOCO's primary statutory responsibilities is to "Receive and assist consumers and providers in reporting concerns and filing complaints with appropriate regulatory or oversight agencies relating to inappropriate care."

Over the past year, however, the office has worked on multiple cases in which someone wished to file a complaint against a behavioral health entity with concerns about inappropriate care, only to find out that there was either a lack of clarity regarding who oversees the entity–or, in some cases, that there was no appropriate agency to file the complaint with at all. This meant that the office was unable to complete its statutorily-required duty, and–most importantly–that callers have been unable to pursue resolution to their complaints and concerns, no matter how egregious the complaints may be.

This has been a significant concern for the office, and we've worked closely with several state agencies (including the BHA) to identify some gaps in statutes and regulations that have allowed this to occur. It is our hope that these gaps will be addressed, and that all individuals who bring concerns or complaints to the office will be able to seek resolution with the appropriate oversight agency.

2024-25 Case example: *An individual contacted our office requesting assistance in filing a complaint regarding an allegation of misconduct by a staff member that occurred in a facility which advertised itself as an inpatient residential program. BHOCO attempted to help the individual file a complaint with several state agencies, as well as with local adult protective services.*

While we learned that the Behavioral Health Administration has direct oversight over the treatment portion of the facility, they do not license the residential portion of the facility. In this case, the BHA had previously alerted the facility that they were required to credential their residential program through the Colorado Association of Recovery Residences (CARR).

NOTABLE **TRENDS & ISSUES**

The office helped the individual file the complaint with CARR, only to find out that the facility had never, in fact, applied for CARR credentials, so CARR would be unable to investigate the complaint.

Our office alerted the BHA to this, and ultimately, the BHA issued a cease and desist letter to the facility. However:

1. *The cease and desist letter was issued more than one year later (and more than one year after the individual stayed at the facility), and five months after BHOCO alerted the BHA that the facility was not credentialed. BHOCO has since been informed that there is no statutory process or mandated timeline for issuance of a cease and desist letter by the BHA.*
2. *More than one year after the alleged incident(s) occurred by a staff member at the facility, the individual who reached out to BHOCO has been unable to pursue a complaint against the facility through CARR or elsewhere. There has not yet been an investigation into the incidents. It is unknown to the office whether the staff member of concern is still employed at the facility.*
3. *Per conversations with the BHA, the agency was not granted legislative authority to enforce a cease and desist letter against any facilities, whether certified by CARR or not, which means as of the writing of this report (and as far as the office knows from publicly available information) the facility is still operating without appropriate credentials.*

NOTABLE
TRENDS & ISSUES

ISSUE 2. Long-term care facility evictions and discharge to inappropriate care levels

This year BHOCO worked on cases in which someone who was staying at a long-term care facility (e.g. nursing homes or assisted living facilities) was sent to an acute care facility (such as an emergency room) for urgent behavioral health assessments and care. Upon discharge from that facility, they were denied re-entry to the long-term care facility - sometimes after months or years of residence. In some cases, the office collaborated with the Long-Term Care Ombudsman assigned to each facility to protect residents' rights, and who can review eviction procedures and processes.

In many of these cases, the individuals were discharged from acute care to homeless shelters or to homes of family members who expressed that they were not capable of providing the level of care that was needed. BHOCO has raised concerns about the extent to which:

1. Acute care facilities are inappropriately discharging individuals without appropriate supports or long-term care in place (an issue addressed in our 2023-24 report),
2. Long-term care facilities are sending individuals who need ongoing care and placement to emergency rooms and/or other acute care facilities without ensuring they have a home to return to (and sometimes without following the involuntary discharge/eviction processes), or a new placement following their discharge from acute care .
3. Placements are unavailable for individuals who need (and have often already been assessed and met criteria for) long-term care support in Colorado.

The office acknowledges that long-term care facilities often lack adequate support to meet individual needs, while acute care providers frequently struggle to secure appropriate long-term placements. This ongoing gap highlights a systemic shortage of suitable long-term care options across the state.

NOTABLE **TRENDS & ISSUES**

2024-25 Case example: *In multiple cases, the office was contacted by a hospital, guardian, care coordinator, case manager or other professional regarding individuals with long-term living needs who had either been discharged from, or were about to be discharged from, an acute care facility without a place to live, despite having come directly from skilled nursing or assisted living facilities.*

In many of these cases, the facility worked diligently to find long term placements, only to be told that the individual was not allowed back to their former placement, and that no other placements were willing to accept them. Ultimately, however, individuals were discharged to a shelter or hotel–even after expressing a desire to return to a long-term care facility.

In at least one notable case, an individual was discharged from a hospital to a shelter in another county, more than one hundred miles from the long term care facility they had been living in until they were improperly discharged/evicted. While this case–with the help of a robust care team–ended with the individual being allowed to return to the facility they'd been evicted from, many cases are yet to be resolved. In another active case, an individual has now been living in a hotel for weeks–despite having previously been in the care of long-term care facilities for several years, and despite expressing a desire to return to care.

NOTABLE TRENDS & ISSUES

ISSUE 3. Persistent gaps in behavioral health services for children with high intensity support and service needs

BHOCO continues to encounter cases involving children and families navigating complex behavioral health systems. The concerns raised in previous years, particularly the limited availability of residential treatment for youth and the lack of equally robust, accessible in-home and community-based alternatives, remain deeply relevant. These persistent gaps in the continuum of care underscore the urgent need for coordinated, systemic solutions.

The current system of care for children and youth with high-intensity behavioral health needs in Colorado is disjointed. Families are often left in crisis, reporting that their children are unsafe at home, while hospitals deny inpatient admission due to narrowly defined medical necessity criteria. Emergency departments, ill-equipped for long-term behavioral health stabilization, become de facto holding spaces, sometimes for weeks, straining healthcare resources. Residential treatment facilities frequently decline referrals for intensity or type of behaviors, and home- and community-based services have not been able to provide the level of support needed by many of these children and families, leaving them in limbo without access to appropriate care.

Parents or guardians have reported situations in which they do not feel safe picking their child up from the hospital after a behavioral health emergency, and despite having high levels of communication and involvement, the county department of human services is contacted for abandonment. However often no DHS case is opened, leaving the child with no safe place to discharge to. This cycle jeopardizes the well-being of vulnerable children and exposes systemic gaps in coordination, accountability, and responsiveness across agencies and payors.

NOTABLE
TRENDS & ISSUES

BHOCO's role is essential in these difficult situations. Regional Accountable Entities (RAEs), advocates, families, and Case Management Organizations have encouraged us to attend care management meetings, demonstrating the value of BHOCO for our ability to navigate complicated processes and elevate the voices of those who are most affected. Because of its unique position, BHOCO can hold payors and organizations accountable for providing timely, appropriate, and fair access to care. By identifying possible structural fixes, helping to address placement obstacles, and working to identify financing and policy barriers to better meet the needs of young people and families, BHOCO acts as a reliable, independent partner to work towards resolution in a system where no one organization has entire accountability.

As documented in our 2023 Annual Report, BHOCO formally elevated these concerns to the Colorado Department of Health Care Policy and Financing (HCPF) and the Colorado Division of Insurance. Our office has remained actively engaged with both agencies throughout 2024 and into 2025, working to ensure that these issues are acknowledged and meaningfully addressed.

BHOCO's involvement has included convening specific cross-agency discussions to clarify service and payment responsibilities for youth requiring intensive behavioral health care. In several cases, BHOCO facilitated direct engagement among private insurance, the assigned RAE, county departments of human services, and managed care entities to resolve uncertainty over coverage and placement. By bringing the right decision-makers to the table, we helped ensure that children who need significant levels of support for behavioral health needs received timely access to appropriate services, whether through insurance- or Department of Human Services-funded residential treatment or community-based wraparound supports.

We recognize the state's recent commitments to improve the behavioral health infrastructure for children and remain committed to a collaborative partnership that centers the needs of Colorado's children. BHOCO will continue to work towards transparent accountability, understandable funding, and equitable access to care across all levels of the system.

NOTABLE **TRENDS & ISSUES**

As of mid-2025, Colorado's efforts to improve Intensive Behavioral Health Services (IBHS) for children enrolled in Medicaid are gaining momentum. Following the February 2024 settlement agreement between Disability Law Colorado and the Department of Health Care Policy and Financing (HCPF), the state has taken several concrete steps toward building a more responsive and equitable behavioral health system for youth.

Current progress reported on IBHS implementation includes:

- implementation planning underway (implementation plan is to be rolled out in iterations with the first iteration available online at hcpf.colorado.gov/ibhs)
- expanded service array
- system of care integration
- provider forums and workforce development

As systems and services expand, BHOCO will have an even more vital role supporting children, youth, and families, assisting RAEs, state agencies, and service organizations in behavioral health systems navigation and improvement. Our office regularly supports case-level problem solving and policy-level feedback loops, helping to ensure that behavioral health reforms translate into and are directly informed by the experiences of children, families, and providers. We remain deeply engaged with HCPF, the BHA, CDPHE, and other stakeholders to ensure that the voices of providers, families, and concerned Coloradans are heard and that service gaps are addressed.

LOOKING FORWARD: **PRIORITIES FOR 2025-2026**

While caseload management will always remain a top priority, in the upcoming year the office also hopes to address the following priorities:

Increased agency collaboration. Over the past year, the office has formed many new collaborations with state offices, provider entities, local entities and others. This has been particularly important in helping individuals find care and support through building and sustaining robust care coordination teams.

The office will continue to form new relationships, while also continuing to collaborate with the Behavioral Health Administration (BHA), the Department of Health Care Policy and Financing (HCPF), the Division of Insurance (DOI) and others on developing and coordinating, where possible, processes that will allow for smooth transitions and interactions between entities.

Improved data management and case management (in collaboration with BHA and other state agencies) to help foster system wide understanding of systemic gaps in care and services. BHOCO invested in the development of a Salesforce system to support tracking of cases and emerging trends. This year, efforts will focus on refining the platform and establishing processes that more clearly define and monitor behavioral health access to care challenges, prioritizing a robust case management system that is essential not only for identifying gaps and barriers, but also for informing responsive strategies and improving coordination across services.

LOOKING FORWARD: **PRIORITIES FOR 2025-2026**

Mental health parity and access complaint follow up. Helping individuals, providers and groups of providers to file complaints and concerns with appropriate state, local or federal agencies regarding possible parity or access violations has always been a top priority for BHOCO. With expanded long-term staff resources, the office has strengthened its ability to follow complaints through to resolution and engage state agencies in timely, coordinated responses. For example, this year the office has been working with a group of providers concerned about mental health parity laws and practice related to a specific treatment option that is being covered for "medical/surgical" diagnoses but not for mental health diagnoses. The office has facilitated conversations with the providers and the state's Division of Insurance, helping to clarify the issue, compile supporting documentation, and coordinate follow-up with relevant agencies, insurers, and others. By finding the time to work together, it is our hope that the issue will be investigated and resolved.