

# STATE OF COLORADO

## OFFICE OF THE GOVERNOR

136 State Capitol  
Denver, Colorado 80203  
Phone (303) 866-2471  
Fax (303) 866-2003



John W. Hickenlooper  
Governor

June 5, 2018

The Honorable Colorado House of Representatives  
State Capitol  
200 E. Colfax Ave.  
Denver, CO 80203

Dear Members of the Colorado House of Representatives:

Today, after careful consideration, I signed House Bill 18-1136, "Concerning Treatment for Individuals with Substance Use Disorders, and, in Connection Therewith, Adding Residential and Inpatient Treatment to the Colorado Medical Assistance Program and Making an Appropriation." Pending federal government approval, House Bill 18-1136 ("HB 18-1136") expands Colorado's Medicaid benefits to cover inpatient and residential treatment for substance use disorders (SUD).

SUD plagues Colorado families unlike any other period in our history. Hundreds of thousands of Coloradans suffer from alcohol and chemical dependence and abuse, and opioid and heroin overdoses claim the lives of hundreds of Coloradans every year. This Administration has taken important steps to combat this epidemic through prevention and addiction treatment to save lives. With only one in ten persons with SUD receiving treatment nationally, expanding treatment access is essential to effectively combating the horrific effects of opioid addiction.

House Bill 18-1136 received widespread Democratic and Republican support to fill an important coverage gap for the 142,000 Coloradans on Medicaid suffering from SUD. Outpatient treatment is appropriate for many SUD patients, and our Medicaid program should continue to strive to provide care in the least restrictive setting that provides the highest quality care at the lowest cost. However, for many patients, residential and inpatient treatment may be the most medically appropriate course of treatment.

As the nonpartisan fiscal analysis indicated, providing SUD patients with inpatient and residential treatment is not inexpensive. However, we are confident that coupled with the right reforms as well as the right delivery strategies we can provide this important benefit in a fiscally responsible way. Five states have received federal approval to include this benefit as part of their Medicaid program; seven others have applications pending with the federal government. Colorado should take the next step in applying for a waiver from the federal government. In funding this inpatient treatment, it should be the goal of the Department of Health Care Policy and Financing to use the best practices from other states while continuing to pursue savings in the Medicaid program. The state should lead the effort to capture savings and avoided costs in light of the expanded benefit in order to finance this new program.

Coverage for inpatient and residential treatment won't help if Colorado lacks adequate capacity to provide this care. Many facilities do not provide inpatient SUD care, but meeting the needs of the communities across our state means providing adequate access to the full continuum of mental health and

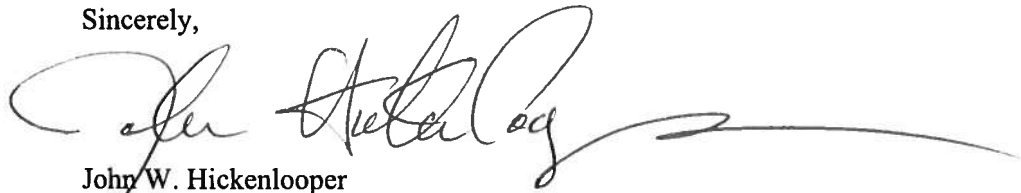
June 5, 2018

Page 2 of 2

substance abuse treatment offerings. We ask that our healthcare delivery partners, especially our hospitals, recognize the current and evolving consumer demand for mental health and substance abuse treatment, and expand their offerings and capabilities to meet this critical need.

Additionally, if this waiver is approved, the State financial resources to extend this benefit will be significant. All stakeholders affected by the State's budget should monitor the outcome of this waiver application to ensure the best decision with scarce financial resources.

Sincerely,

A handwritten signature in black ink, appearing to read "John W. Hickenlooper", with a long horizontal flourish extending to the right.

John W. Hickenlooper  
Governor