



# JOINT BUDGET COMMITTEE STAFF FY 2023-24 BUDGET BRIEFING SUMMARY

Colorado General Assembly  
Joint Budget Committee

*Department of Human Services*  
*Behavioral Health Programs*

The Department of Human Services is responsible for the administration and supervision of all non-medical public assistance and welfare programs in the state. This briefing document concerns behavioral health services (services for people with mental health and substance use disorders), which are overseen by the Behavioral Health Administration and the Office of Behavioral Health (recently renamed by the Department as the Office of Civil and Forensic Mental Health). The Department's FY 2022-23 appropriation consists of 41.3 percent General Fund, 28.4 percent cash funds, 8.5 percent reappropriated funds, and 21.7 percent federal funds.

## FY 2022-23 APPROPRIATION AND FY 2023-24 REQUEST

Department of Human Services Behavioral Health Divisions						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2022-23 APPROPRIATION:</b>						
H.B. 22-1329 (Long Bill)	453,316,755	311,307,296	74,066,825	25,281,976	42,660,658	1,581.9
Other legislation	302,357,318	14,958,112	287,354,649	44,557	0	47.5
<b>TOTAL</b>	<b>\$755,674,073</b>	<b>\$326,265,408</b>	<b>\$361,421,474</b>	<b>\$25,326,533</b>	<b>\$42,660,658</b>	<b>1,629.4</b>
<b>FY 2023-24 REQUESTED APPROPRIATION:</b>						
FY 2022-23 Appropriation	\$755,674,073	326,265,408	\$361,421,474	\$25,326,533	\$42,660,658	1,629.4
<b>OFFICE OF CIVIL AND FORENSIC MENTAL HEALTH DECISION ITEMS</b>						
R1 State hospital quality assurance	783,260	783,260	0	0	0	6.5
R8 Forensic Services Division capacity expansion	3,704,803	3,704,803	0	0	0	23.2
R9 Salary increase for hospital medical staff	1,808,328	1,808,328	0	0	0	0.0
R10 Community provider rate	2,649,891	2,649,891	0	0	0	0.0
R12 Momentum Program funding	328,747	328,747	0	0	0	0.0
R14 OCFMH data management and reporting	236,314	236,314	0	0	0	2.8
<b>BEHAVIORAL HEALTH ADMINISTRATION DECISION ITEMS</b>						
BHA-R1 Behavioral Health Administration personnel	3,478,525	3,478,525	0	0	0	31.3
BHA-R2 Behavioral health services	5,500,000	5,500,000	0	0	0	0.0
BHA-R3 Behavioral health learning management system	753,386	753,386	0	0	0	0.9
BHA-R4 BHA community provider	5,246,702	3,491,583	1,751,187	3,932	0	0.0
BHA-R5 BHA technical adjustments	0	0	0	0	0	0.0
<b>ANNUALIZATIONS AND OTHER ADJUSTMENTS</b>						
Annualize prior year budget actions	3,610,940	2,937,171	172,321	153,838	347,610	9.1
Indirect cost assessments	672,016	0	382,645	143,030	146,341	0.0
Technical adjustments	70,375	50,015	20,360	0	0	0.0
Annualize prior year legislation	(291,219,493)	(3,507,753)	(287,667,183)	(44,557)	0	6.0
Non-prioritized requests	(1,629,385)	0	0	(1,629,385)	0	0.0
<b>TOTAL</b>	<b>\$491,668,482</b>	<b>\$348,479,678</b>	<b>\$76,080,804</b>	<b>\$23,953,391</b>	<b>\$43,154,609</b>	<b>1,709.2</b>

Department of Human Services Behavioral Health Divisions						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>INCREASE/(DECREASE)</b>	(\$264,005,591)	\$22,214,270	(\$285,340,670)	(\$1,373,142)	\$493,951	79.8
Percentage Change	(34.9%)	6.8%	(78.9%)	(5.4%)	1.2%	4.9%

## OFFICE OF CIVIL AND FORENSIC MENTAL HEALTH DECISION ITEMS

**R1 STATE HOSPITAL QUALITY ASSURANCE:** The request includes an increase of \$783,260 General Fund and 6.5 FTE to create a Quality Assurance Team for the state hospitals at Pueblo and Fort Logan, with the primary focus this funding on Pueblo. The increase shown here includes \$637,385 and 6.0 FTE actually requested in this division and a total of \$145,875 and 0.5 FTE for centrally appropriated amounts associated with the requested staff and an additional 0.5 FTE requested in Administration and Finance. The request responds to ongoing concerns about quality assurance at the two hospitals and challenges with remaining compliant with frequent and ongoing changes to regulatory requirements from the Centers for Medicare and Medicaid Services and the Department of Public Health and Environment (as illustrated by a July 2021 citation by the Department of Public Health and Environment for “immediate jeopardy” violations impacting client safety<sup>1</sup>). The request includes:

- \$535,260 to support the 6.5 FTE requested for the Quality Assurance Team which would include the following FTE: 1.0 health professional IV, 3.0 health professional III positions as “occurrence reporters”, 1.0 project coordinator, and 1.0 policy advisor III to coordinate policies, records, and database activities. The request also includes 0.5 FTE electronic specialist to maintain additional cameras and equipment required by the recent citations. In the findings following the July 2021 incident, CDPHE stated that the hospital at Pueblo is not appropriately staffed to perform quality assurance activities and maintain patient safety.
- \$248,000 per year for the next two years to continue to contract with a national consultant (that has assisted CMHIP in FY 2021-22 and FY 2022-23 in response to the July 2021 incident) to assist with the identification and correction of problem areas. The Department reports that in addition to assisting with the response to the July 2021 citation, the consultant has been instrumental in helping to identify areas of need and inform prompt action to address those areas before problems arise.

For more information, see the third issue brief in this document. The Department has identified this request as theory-informed.

**R8 FORENSIC SERVICES DIVISION CAPACITY EXPANSION:** The request includes an increase of \$3.7 million General Fund and 23.2 FTE in FY 2023-24 (annualizing to \$3.7 million and 25.0 FTE in FY 2024-25 and beyond) to expand staff and capacity in the Forensic Services Division (within the OCFMH). The request responds to the ongoing increase in forensic and competency workload (see the second issue brief in this document) and proposes to add:

- 19.0 FTE clinical and administration staff for competency evaluation and restoration services. That number includes the following FTE: 1.0 to create a new deputy director position for the Forensic Services Division, 5.0 psychologist I forensic evaluators, 1.0 psychologist II evaluator supervisor, 2.0 support staff, 1.0 social worker IV program coordinator, 6.0 health professional III forensic navigators, 2.0 contract social workers for case management, and 1.0 health professional III for jail-based restoration services.
- 6.0 FTE to create a Quality Assurance, Policy, and Records Management Work Unit to “ensure the quality of services provided by both internal staff and through contracted vendors.”

For additional discussion of this request, see the third issue brief in this document. The Department has identified this request as theory-informed.

<sup>1</sup> The citation included a total of six violations, four of which were “immediate jeopardy” violations that require immediate correction in order to continue participating in Medicare and Medicaid.

**R9 SALARY INCREASE FOR HOSPITAL MEDICAL STAFF:** The request includes an increase of \$1.8 million General Fund in FY 2023-24 (and ongoing) to increase contracted medical staff salaries to improve recruitment and retention of qualified psychiatrists, internal medicine physicians, nurse practitioners, and physician assistants to serve the state hospitals in Pueblo and Fort Logan. The hospitals contract with the University of Colorado for these positions and the Department reports that the University has struggled to recruit qualified candidates for the positions at the current salaries. At the time the decision item was written, Fort Logan had a 29.4 percent vacancy rate for physicians and Pueblo's rate was 11.6 percent. The Department worked with the University and others to conduct a salary comparison and determined that the current salaries are below market rates and reports that the University's contract administrator has endorsed the increases. The Department last received a similar increase in FY 2018-19, although the salary increases were actually funded in two stages (FY 2018-19 and FY 2020-21). For additional discussion of this request, see the third issue brief in this document. The Department has identified this request as theory-informed.

**R10 COMMUNITY PROVIDER RATE:** The request includes a common policy 3.0 percent increase in community provider rates. For the OCFMH, the request equates to \$2.6 million General Fund. *Community provider rates will be addressed in more detail during the common policy presentation in January.*

**R12 MOMENTUM PROGRAM FUNDING:** The request includes an increase of \$328,747 General Fund to expand the availability of services provided through the Momentum Program. The program (operated through a contract with Rocky Mountain Human Services) provides intensive support services to allow forensic clients to receive competency services in the community rather than remaining in jail or a hospital. The contract requires the program to generally prioritize potential placements in the following order: (1) clients from the state hospitals with barriers to discharge that are preventing discharge without Momentum placement; (2) children and youth with significant placement barriers; and (3) all other clients having difficulties discharging from other hospitals or who are part of Forensic Community Based Services, Forensic Support Team, or Outpatient Community Restoration. Discharging these clients to the community with wrap-around services then makes beds available for additional clients in need of inpatient services.

Placements with existing funding have increased from 32 in FY 2020-21 to 58 in FY 2021-22. The Department estimates that the increase in funding would allow for 76 placements in FY 2023-24. For additional discussion of this request, see the third issue brief in this document. The Department has identified this request as theory-informed.

**R14 OCFMH DATA MANAGEMENT AND REPORTING:** The request includes an increase of \$236,314 General Fund and 2.8 FTE for FY 2023-24 (annualizing to \$234,038 and 3.0 FTE for FY 2024-25 and beyond) to provide staff to support information technology and data reporting systems improvements proposed through a companion information technology capital construction request (OSPB IT Capital Construction project 4 – OBH Information Management Systems and Data Reporting, with a briefing scheduled for December 13, 2022). The proposed system is intended to improve the efficiency of management and reporting for forensics data, protect sensitive information, and reduce the need for time-intensive and redundant data entry and management related to the forensics system. The proposed staff include 3.0 data management III positions (requested at the range minimum salary) to support the development and ongoing maintenance of the proposed system which is intended to serve both the state hospitals and the forensics programs.

For additional discussion of this request, see the third issue brief in this document. The Department has identified this request as theory-informed.

## BEHAVIORAL HEALTH ADMINISTRATION DECISION ITEMS

**BHA R1 BEHAVIORAL HEALTH ADMINISTRATION PERSONNEL:** The request includes an increase of \$3.5 million General Fund and 31.3 FTE in FY 2023-24 (increasing to \$3.5 million and 34.0 FTE in FY 2024-25) for the next

phase of the implementation of the BHA as established in H.B. 22-1278. That legislation requires the BHA to be fully operational by July 1, 2024, and added 25.9 new FTE to the Department of Human Services for FY 2022-23 (a net increase of 14.7 FTE because it also transferred 11.2 existing FTE from the Department of Human Services to the Department of Public Health and Environment). The “base” for the FY 2023-24 appropriation adds 12.1 additional FTE to reflect the second-year impact of the bill as anticipated in the Final Legislative Council Staff Fiscal Note, for a total of 38.0 new FTE. This decision item (BHA R1) proposes an increase of an additional 31.3 FTE for FY 2023-24 to continue to build out the new agency. See the first issue brief in this document for additional discussion of this decision item.

**BHA R2 BEHAVIORAL HEALTH SERVICES FOR CHILDREN AND YOUTH:** The request includes an increase of \$5.5 million General Fund (ongoing in subsequent years) above the current FY 2022-23 appropriation for behavioral health services provided through the Children and Youth Mental Health Treatment Act (CYMHTA). The Committee approved an interim supplemental request in September to add \$3.0 million for this program in FY 2022-23 based on increasing caseload. The request for FY 2023-24 represents an increase of \$2.5 million above the amount approved by the Committee (but not yet adjusted through an actual supplemental appropriation bill) for FY 2022-23.

**BHA R3 BEHAVIORAL HEALTH LEARNING MANAGEMENT SYSTEM:** The request includes an increase of \$735,386 General Fund and 0.9 FTE in FY 2022-23 (increasing to \$755,517 and 1.0 FTE in FY 2023-24 and beyond) to support the “learning management system” that the BHA is constructing pursuant to previous legislation (S.B. 21-137 and S.B. 22-181). The Department is currently expecting to spend a total of \$11.4 million in one-time federal stimulus funding to develop the system, including:

- \$5.0 million appropriated in S.B. 21-137 as part of the \$18.0 million allocated for the Behavioral Health Workforce Development Program. That legislation requires the Department to develop an online training system that allows for accessible statewide training opportunities and an online training curriculum to support a geographically and culturally diverse behavioral health care workforce.
- \$4.9 million appropriated in S.B. 22-181. That bill expanded the scope of the system and also required the Department to develop a criminal justice training curriculum that the Department is integrating into the main learning management system.
- \$1.5 million in stimulus block grant funding (not appropriated by the General Assembly).

The Department has contracted with the University of Colorado (who has contracted with a vendor) to build the system. The Department’s goal is to build on the core learning hub to provide a “one-stop shop” to support the needs of the behavioral health workforce. In addition to the training platform and curriculum, the Department intends to use the site as a way to connect workers to career pathways, track certifications not regulated by the Department of Regulatory Agencies (such as peer support specialists), provide tracking for continuing education and professional development credits, among other uses. Although the previous legislation provided funding for system development, the Department has not received funding for ongoing maintenance and support. This request seeks the funding and staff to maintain the system going forward.

**BHA R4 COMMUNITY PROVIDER RATE:** As with the division above, the request includes a common policy 3.0 percent increase in community provider rates for programs funded through the BHA. For this division, the request equates to \$5.2 million General Fund. *Community provider rates will be addressed in more detail during the common policy presentation in January.*

**BHA R5 TECHNICAL ADJUSTMENTS (REQUIRES LEGISLATION):** The request proposes two statutory changes related to appropriations to the BHA that the Department has framed as technical adjustments. Please note that both adjustments require legislation and the Department is not requesting these as Joint Budget Committee bills. The changes include:

- A request to remove the statutory requirement that the Care Navigation Program contractor be the same contractor as the operator of the 24-hour statewide crisis hotline. House Bill 19-1287 (Treatment for Opioids and Substance Use Disorders) established the Care Navigation Program and required that the contractor for the program be the same as the contractor for the crisis hotline. It is staff's understanding that this was because the crisis system was the most analogous system at that time. However, the Department argues that conditions have changed and is requesting flexibility to compete the contract for the navigation system.
- A request to continuously appropriate the 988 Enterprise Cash Fund (established in S.B. 21-154 (988 Suicide Prevention Lifeline Network)) to allow the Department to respond to what it reports are unpredictable fluctuations in need for the funds.

## ANNUALIZATIONS AND OTHER ADJUSTMENTS

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The request includes a net increase of \$3.6 million total funds, including \$2.9 million General Fund, and 9.1 FTE to reflect the FY 2023-24 impact of prior year budget actions, as summarized in the following table.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Annualize prior year salary survey	\$3,619,294	\$2,945,525	\$172,321	\$153,838	\$347,610	0.0
FY 2022-23 BA2 Behavioral Health Safety Net	80,611	80,611	0	0	0	1.2
FY 2022-23 R2 CMHIFL 44 bed operating	(88,965)	(88,965)	0	0	0	7.9
<b>TOTAL</b>	<b>\$3,610,940</b>	<b>\$2,937,171</b>	<b>\$172,321</b>	<b>\$153,838</b>	<b>\$347,610</b>	<b>9.1</b>

**INDIRECT COST ASSESSMENTS:** The request includes an increase to these divisions' indirect cost assessments.

**TECHNICAL ADJUSTMENTS:** The request includes an increase to these divisions' indirect cost assessments.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The request includes a net decrease of \$291.2 million total funds (including a net decrease of \$3.5 million General Fund) and a net increase of 6.0 FTE to reflect the FY 2023-234 impact of bills passed in previous sessions, as summarized in the following table. The reduction is driven by the elimination of one-time funding provided in various 2022 bills.

ANNUALIZE PRIOR YEAR LEGISLATION					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FTE
HB22-1256 Modifications to civil involuntary commitment	\$576,814	\$576,814	\$0	\$0	5.2
HB22-1278 Behavioral Health Administration	556,674	556,674	0	0	7.6
HB22-1061 Modifications to NGRI	33,539	33,539	0	0	0.5
HB22-1249 School security and behavioral health	0	6,000,000	(6,000,000)	0	0.0
HB22-1281 Behavioral health-care continuum gap grant	(90,000,000)	0	(90,000,000)	0	(0.5)
SB22-196 Health needs of persons in criminal justice system	(50,700,000)	0	(50,700,000)	0	0.0
HB22-1303 Increase residential behavioral health beds	(46,432,445)	0	(46,432,445)	0	(7.0)
SB22-181 Behavioral health workforce	(36,806,984)	0	(36,806,984)	0	0.0
HB22-1386 Competency to proceed and restoration	(29,362,828)	0	(29,362,828)	0	0.0
HB22-1326 Fentanyl accountability	(13,755,154)	(10,630,154)	(3,125,000)	0	0.9

ANNUALIZE PRIOR YEAR LEGISLATION					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FTE
SB22-177 Investments in care coordination	(12,200,000)	0	(12,200,000)	0	0.0
HB22-1283 Youth and family behavioral health	(8,039,926)	0	(8,039,926)	0	0.0
SB22-148 CO Land-based tribe behavioral health grant	(5,000,000)	0	(5,000,000)	0	0.0
SB22-211 Repurpose Ridge View Campus	(44,557)	(44,557)	0	0	(0.4)
HB22-1378 Denver-metro regional navigation	(44,557)	0	0	(44,557)	(0.4)
HB22-1052 Promoting crisis services	(69)	(69)	0	0	0.1
<b>TOTAL</b>	<b>(\$291,219,493)</b>	<b>(\$3,507,753)</b>	<b>(\$287,667,183)</b>	<b>(\$44,557)</b>	<b>6.0</b>

**NON-PRIORITIZED REQUESTS:** The request includes a net decrease of \$1.6 million reappropriated funds associated with decision items submitted by other departments. The request includes an increase of \$273,706 reappropriated funds from the Department of Corrections associated with food services inflation which is more than offset by a decrease of \$1.9 million originating from the Department of Health Care Policy and Financing associated with that Department’s maternity equity decision item.

## SUMMARY OF ISSUES PRESENTED TO THE JOINT BUDGET COMMITTEE

**BHA R1 BEHAVIORAL HEALTH ADMINISTRATION PERSONNEL:** House Bill 21-1097 (Establish Behavioral Health Administration) and House Bill 22-1278 (Behavioral Health Administration) created the Behavioral Health Administration BHA within the Department of Human Services. House Bill 22-1278 added \$3.1 million total funds (including an increase of \$3.7 million General Fund) and 25.9 new FTE for the BHA in FY 2022-23 in addition to moving some programs between the Department of Human Services and the Department of Public Health and Environment. For FY 2023-24, the BHA has submitted request R1, proposing increases of \$3.5 million General Fund and 31.3 FTE (increasing to 34.0 FTE in FY 2024-25) to support the next phase of BHA implementation. Statute requires the agency to be fully operational by July 1, 2024.

**UPDATE ON FORENSIC SERVICES AND COMPETENCY:** For over a decade, the Department of Human Services and the General Assembly have been working to address issues related to competency evaluation and restoration services, including significant additional investments during the 2022 Session. A 2019 consent decree sets requirements for the timing of evaluation and restoration services. In spite of the State’s efforts, the waitlist for competency services is at an all-time high, forcing additional time in jail for individuals awaiting services and continuing to require the maximum payment fines and fees under the consent decree. This issue brief provides an update on the actions taken during the 2022 Session, and the status of competency services, related decision items submitted for FY 2023-24, and potential costs for FY 2023-24 associated with the consent decree.

**FY 2023-24 OCFMH DECISION ITEMS:** The Department has submitted five decision items for the Office of Civil and Forensic Mental Health (OCFMH) that directly relate to the division’s workload and either maintaining or increasing capacity in the forensic behavioral health system. Totaling \$6.9 million General Fund and 32.5 FTE in FY 2023-24, the requests include resources to: (1) support a quality assurance team for the state hospital at Pueblo to improve patient safety and sustain capacity at the hospitals in response to a finding by the Department of Public Health and Environment; (2) expand capacity across multiple programs in the Forensic Services Division in response to the division’s increasing workload; (3) increase salaries for medical staff (physicians, nurse practitioners, and physician assistants) at the state hospitals to improve recruitment; (4) increase funding and capacity for the Momentum

Program which provides intensive wrap-around services for clients in the community; and (5) develop and maintain improved data and reporting systems to support the division.

**ONE-TIME FUNDING AUTHORIZED IN RECENT LEGISLATIVE SESSIONS:** During the 2020B, 2021, and 2022 legislative sessions, the General Assembly allocated significant one-time funding to the Department of Human Services that included \$46.0 million originating as state General Fund and \$482.4 million originating as federal Coronavirus State Fiscal Recovery funds (ARPA funds). Within those totals, \$19.0 million General Fund and \$424.0 million that originated as federal funds were directed to behavioral health programs within the Department. In addition, as of the end of FY 2021-22, the Department's behavioral health programs had received and spent \$11.7 million in federal funding allocated by the Governor (and not appropriated by the General Assembly).

## FOR MORE INFORMATION

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