

**COLORADO GENERAL ASSEMBLY
JOINT BUDGET COMMITTEE**



FY 2009-10 STAFF FIGURE SETTING

DEPARTMENT OF HUMAN SERVICES
MENTAL HEALTH AND ALCOHOL AND DRUG ABUSE DIVISION *ONLY*

**JBC Working Document - Subject to Change
Staff Recommendation Does Not Represent Committee Decision**

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DEPARTMENT OF HUMAN SERVICES
MENTAL HEALTH AND ALCOHOL AND DRUG ABUSE DIVISION ONLY
FY 2009-10 FIGURE SETTING

JBC WORKING DOCUMENT - DECISIONS SUBJECT TO CHANGE
STAFF RECOMMENDATION DOES NOT REPRESENT COMMITTEE DECISION

TABLE OF CONTENTS

	Numbers Pages	Narrative
Summary of Major Recommendations	n/a	16
Administration	1	18
Mental Health Community Programs	4	21
Mental Health Institutes	7	28
Alcohol and Drug Abuse Division	10	49
Footnotes and Requests for Information	n/a	63

FY 2009-10 Joint Budget Committee Staff Figure-Setting Recommendations
Department of Human Services - Mental Health and Alcohol and Drug Abuse Division ONLY

	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10		Change Requests
	Actual	Actual	Appropriation	Request	Staff Recomm.	
DEPARTMENT OF HUMAN SERVICES						
Executive Director: Karen Bye						
(8) MENTAL HEALTH AND ALCOHOL AND DRUG ABUSE SERVICES						
(A) Administration						
Primary functions: Manages and provides policy direction to the Alcohol and Drug Abuse Division, the Indigent Community Mental Health Programs, the Mental Health Institutes, and Housing programs. Federal funds are primarily from housing grants and federal mental health block grant funds.						
Personal Services	1,504,221	1,983,381	2,170,365	2,338,632	2,279,127	
FTE	<u>16.0</u>	<u>18.7</u>	<u>25.2</u> S	<u>25.8</u>	<u>25.4</u>	
General Fund	571,168	806,779	884,393 S	969,381	969,381	
FTE			10.1 S	10.3	10.3	
Cash Funds	0	0	241,603	301,108	241,603	
FTE			3.1 S	3.5	3.1	
Cash Funds Exempt / Reappropriated Funds	389,285	441,805	313,925	337,699	337,699	
FTE			3.6	3.6	3.6	
Federal Funds	543,768	734,797	730,444	730,444	730,444	
FTE			8.4	8.4	8.4	
<i>For Informational Purposes</i>						
Medicaid Reappropriated Funds	307,351	317,113	313,925	337,699	337,699	
Medicaid - General Fund therein	153,675	158,557	156,963	168,851	168,851	
Net General Fund	724,843	965,336	1,057,610	1,138,232	1,138,232	

FY 2009-10 Joint Budget Committee Staff Figure-Setting Recommendations
Department of Human Services - Mental Health and Alcohol and Drug Abuse Division ONLY

	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10		Change Requests
	Actual	Actual	Appropriation	Request	Staff Recomm.	
Operating Expenses	<u>81,614</u>	<u>90,810</u>	<u>95,512</u>	<u>96,772</u>	<u>96,441</u>	
General Fund	20,931	35,028	27,071	28,331 A	28,000	NP #1, NP#2
Cash Funds	0	0	5,777	5,777	5,777	
Cash Funds Exempt / Reappropriated Funds	11,274	13,868	11,274	11,274	11,274	
Federal Funds	49,409	41,914	51,390	51,390	51,390	
<i>For Informational Purposes</i>						
Medicaid Reappropriated Funds	11,274	11,274	11,274	11,274	11,274	
Medicaid - General Fund therein	5,636	5,637	5,637	5,637	5,637	
Net General Fund	26,567	40,665	32,708	33,968	33,637	
Federal Indirect Costs - FF	0	27,138	27,138	27,138	27,138	
Federal Programs and Grants	3,437,553	1,474,066	2,511,447	2,531,634	2,531,634	
FTE	<u>8.4</u>	<u>7.7</u>	<u>11.0</u>	<u>11.0</u>	<u>11.0</u>	
Federal Funds	3,437,553	1,474,066	2,511,447	2,531,634	2,531,634	
Supportive Housing and Homelessness	16,813,334	16,291,619	20,037,922	20,333,206	20,091,488	
FTE	<u>16.6</u>	<u>14.7</u>	<u>19.0</u>	<u>19.0</u>	<u>19.0</u>	
General Fund	0	0	0	241,718 A	0	DI #13, BA#4
Cash Funds	0	0	0	0	0	
Cash Funds Exempt / Reappropriated Funds	183,772	212,526	0	0	0	
Federal Funds	16,629,562	16,079,093	20,037,922	20,091,488	20,091,488	NP#2
Traumatic Brain Injury Trust Fund	1,285,058	1,802,135 a/	0	0	0	
FTE	<u>0.9</u>	<u>1.4</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	
Cash Funds (TBI Trust Fund)	1,285,058	1,802,135	0	0	0	

FY 2009-10 Joint Budget Committee Staff Figure-Setting Recommendations
Department of Human Services - Mental Health and Alcohol and Drug Abuse Division ONLY

	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10		Change Requests
	Actual	Actual	Appropriation	Request	Staff Recomm.	
TOTAL - (A) Administration	23,121,780	21,642,011	24,842,384	25,327,382	25,025,828	
FTE	<u>41.9</u>	<u>42.5</u>	<u>55.2</u>	<u>55.8</u>	<u>55.4</u>	
General Fund	592,099	841,807	911,464 S	1,239,430	997,381	
FTE			10.1 S	10.3	10.3	
Cash Funds	1,285,058	1,802,135	247,380	306,885	247,380	
FTE			3.1	3.5	3.1	
Cash Funds Exempt / Reappropriated Funds	400,559	455,673	325,199	348,973	348,973	
FTE			3.6	3.6	3.6	
Federal Funds	20,844,064	18,542,396	23,358,341	23,432,094	23,432,094	
FTE			38.4	38.4	38.4	
<i>For Information Only*</i>						
Medicaid Reappropriated Funds	318,625	328,387	313,925	348,973	348,973	
Medicaid - General Fund therein	159,311	164,194	162,600	174,488	174,488	
Net General Fund	751,410	1,006,001	1,074,064	1,413,918	1,171,869	

a/ This line item was moved to the Vocational Rehabilitation section of the Long Bill

* NOTE: These lines are included for informational purposes only. Medicaid Cash Funds are classified as Reappropriated Funds for the purpose of complying with Article X, Section 20 of the State Constitution. These moneys are transferred from the Department of Health Care Policy and Financing, where about half of the dollars are appropriated as General Fund. Net General Fund equals the General Fund dollars listed above plus the General Fund transferred as part of Medicaid.

FY 2009-10 Joint Budget Committee Staff Figure-Setting Recommendations
Department of Human Services - Mental Health and Alcohol and Drug Abuse Division ONLY

	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10		Change
	Actual	Actual	Appropriation	Request	Staff Recomm.	Requests

(B) Mental Health Community Programs

Primary functions: Funding and oversight of non-Medicaid community-based mental health programs, including the state's network of community mental health centers and clinics.

(1) Mental Health Services for the Medically Indigent

Services for Indigent Mentally Ill Clients	<u>36,023,738</u>	<u>37,304,711</u>	<u>39,849,202</u>	<u>41,678,905</u>	<u>39,839,202</u>	
General Fund	30,065,061	31,389,126	33,453,724 S	35,283,427 A	33,443,724	BA#24, 51
Cash Funds Exempt / Reappropriated Funds	0	0	161,909	161,909	161,909	
Federal Funds	5,958,677	5,915,585	6,233,569	6,233,569	6,233,569	
Medication for Indigent Mentally Ill [NEW LINE]		0	1,713,993 S	0	1,713,993	
Early Childhood Mental Health Services - GF	1,135,740	1,152,786	1,170,078	1,170,078 A	1,170,078	
Assertive Community Treatment Programs	<u>1,278,102</u>	<u>1,297,274</u>	<u>1,316,734</u>	<u>1,316,734</u>	<u>1,316,734</u>	
General Fund	639,051	648,637	658,367	658,367 A	658,367	BA#51
Cash Funds	0	0	658,367 b/	658,367 A	658,367	
Cash Funds Exempt/ Reappropriated Funds	639,051	648,637	0	0	0	
Alternatives to Inpatient Hospitalization at the Mental Health Institute at Pueblo - GF	942,433	0 c/				
Alternatives to Inpatient Hospitalization at the Mental Health Institute at Ft. Logan - GF	1,543,743	0 c/				
Alternatives to the Fort Logan Aftercare Program - GF	188,267	0 c/				

FY 2009-10 Joint Budget Committee Staff Figure-Setting Recommendations
Department of Human Services - Mental Health and Alcohol and Drug Abuse Division ONLY

	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10		Change Requests
	Actual	Actual	Appropriation	Request	Staff Recomm.	
Alternatives to Inpatient Hospitalization at a Mental health Institute						
General Fund		2,977,822	3,022,489	3,022,489 A	3,022,489	BA#51
Enhanced Mental Health Pilot Services for Detained Youth- GF	480,576	500,414	507,920	507,920 A	507,920	BA#51
Family Advocacy Demonstration Sites		<u>108,797</u>	<u>156,923</u>	<u>159,277</u>	<u>196,154</u>	
Cash Funds		108,797	156,923 S	159,277 A	156,923	BA#51
Local Fund Match		0	0	0 d/	39,231	
Mental Health Services for Juvenile and Adult Offenders - CF		2,103,239	4,066,149	4,066,149 A	Pending	BA#51
Veteran Mental Health-CF		178,519	285,529 S	289,812 A	0	BA#51
Juvenile Mental Health Pilot (H.B. 00-1034)	<u>369,024</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	
General Fund	184,512	0	0	0	0	
Cash Funds Exempt / Reappropriated Funds	184,512	0	0	0	0	
Alternatives to Inpatient Hospitalization for Youth General Fund	259,372	0 b/	0	0	0	

FY 2009-10 Joint Budget Committee Staff Figure-Setting Recommendations
Department of Human Services - Mental Health and Alcohol and Drug Abuse Division ONLY

	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10		Change Requests
	Actual	Actual	Appropriation	Request	Staff Recomm.	
Subtotal - Mental Health Services for the						
Medically Indigent	<u>42,220,995</u>	<u>45,623,562</u>	<u>52,089,017</u>	<u>52,211,364</u>	<u>47,766,570</u>	
General Fund	35,438,755	36,668,785	40,526,571	40,642,281	40,516,571	
Cash Funds	0	2,390,555	5,166,968	5,173,605	854,521	
Cash Funds Exempt / Reappropriated Funds	823,563	648,637	161,909	161,909	161,909	
Federal Funds	5,958,677	5,915,585	6,233,569	6,233,569	6,233,569	

b/ These are local matching funds

c/ These lines were combined with the "Alternatives to Inpatient Hospitalization" line item

d/ Pursuant to Section 26-22-104 (6), C.R.S., Family Advocacy Demonstration Site programs are required to provide money and/or services in an amount equal to 20.0 percent of the program's total cost. The Department requests to reflect these dollars in the Long Bill for FY 2009-10.

(2) Residential Treatment for Youth (H.B. 99-1116)	<u>1,051,930</u>	<u>732,830</u>	<u>991,211</u>	<u>1,129,146</u>	<u>991,211</u>	
General Fund	564,009	456,587	591,599 S	729,534 A	591,599	BA# 23, 51
Cash Funds	0	0	280,387	280,387	280,387	
Cash Funds Exempt / Reappropriated Funds	487,921	276,243	119,225	119,225	119,225	
<i>For Information Only</i>						
<i>Medicaid Reappropriated Funds</i>	266,929	117,464	119,225	119,225	0	
<i>Medicaid - General Fund therein</i>	24,232	34,974	35,499	35,499	0	
<i>Net General Fund</i>	588,241	491,561	765,033	765,033	0	

FY 2009-10 Joint Budget Committee Staff Figure-Setting Recommendations
Department of Human Services - Mental Health and Alcohol and Drug Abuse Division ONLY

	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10		Change Requests
	Actual	Actual	Appropriation	Request	Staff Recomm.	
TOTAL - (B) Mental Health Community Programs	<u>43,272,925</u>	<u>46,356,392</u>	<u>53,080,228</u>	<u>53,340,510</u>	<u>48,757,781</u>	
General Fund	36,002,764	37,125,372	41,118,170	41,371,815	41,108,170	
Cash Funds	0	2,390,555	5,447,355	5,453,992	1,134,908	
Cash Funds Exempt / Reappropriated Funds	1,311,484	924,880	281,134	281,134	281,134	
Federal Funds	5,958,677	5,915,585	6,233,569	6,233,569	6,233,569	
<i>For Information Only</i>						
<i>Medicaid Reappropriated Funds**</i>	266,929	117,464	119,225	119,225	0	
<i>Medicaid - General Fund therein</i>	24,232	34,974	35,499	35,499	0	
<i>Net General Fund**</i>	<u>36,026,996</u>	<u>37,160,346</u>	<u>41,153,669</u>	<u>41,407,314</u>	<u>41,108,170</u>	

(C) Mental Health Institutes

Primary function: The Mental Health Institutes provide inpatient hospital care for seriously mentally ill citizens of Colorado. There are two state mental health institutes: one in Pueblo and the other at Ft. Logan (Denver). Cash funds are primarily from client revenue sources. The primary sources of reappropriated funds are Medicaid and transfers from other Departments.

Mental Health Institutes	84,243,984	89,226,052	94,767,339	99,216,062	0
FTE	<u>1172.5</u>	<u>1201.1</u>	<u>1,259.6</u>	<u>1,277.2</u>	<u>0.0</u>
General Fund	63,105,275	70,350,301	74,879,355 S	79,328,078	0
Cash Fund	3,272,535	3,404,184	10,477,550	10,477,550	0
Cash Fund Exempt / Reappropriated Funds	17,866,174	15,471,567	9,410,434	9,410,434	0
<i>For Information Only</i>					
<i>Medicaid Reappropriated Funds</i>	4,708,030	3,929,882	3,704,738	3,704,738	0
<i>Medicaid General Fund</i>	2,354,015	1,964,941	1,852,369	1,852,369	0
<i>Net General Fund</i>	<u>65,459,290</u>	<u>72,315,242</u>	<u>76,731,724</u>	<u>81,180,447</u>	<u>0</u>

FY 2009-10 Joint Budget Committee Staff Figure-Setting Recommendations
Department of Human Services - Mental Health and Alcohol and Drug Abuse Division ONLY

	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10		Change
	Actual	Actual	Appropriation	Request	Staff Recomm.	Requests
Colorado Mental Health Institute - Ft. Logan [NEW LINE]					27,881,447	DI# 5,17
FTE					<u>338.8</u>	
General Fund					21,422,039	BA#5,52
Cash Fund					4,346,704	NP#2
Cash Fund Exempt / Reappropriated Funds					2,112,704	
<i>For Information Only</i>						
<i>Medicaid Cash Funds</i>					1,037,327	
<i>Medicaid General Fund</i>					518,664	
<i>Net General Fund</i>					21,940,703	
Colorado Mental Health Institute - Pueblo [NEW LINE]					71,054,169	
FTE					<u>937.6</u>	
General Fund					59,084,092	DI#5,17
Cash Fund					5,994,654	BA#31,NP#2
Cash Fund Exempt / Reappropriated Funds					5,975,423	
<i>For Information Only</i>						
<i>Medicaid Cash Funds</i>					2,667,411	
<i>Medicaid General Fund</i>					1,333,706	NP-HCPF-1
<i>Net General Fund</i>					58,449,922	
Sol Vista DYC Facility Services - CFE/RF	355,813	0 c/	0	0	0	
La Vista Facility Services - CFE/RF	277,685	0 c/	0	0	0	
General Hospital	3,226,076	3,385,572	3,447,102	3,515,963	1,155,663	
FTE	<u>34.3</u>	<u>34.2</u>	<u>36.0</u>	<u>36.0</u> A	<u>12.0</u>	BA#31,
General Fund	3,226,076	3,385,572	3,271,782	3,340,643	2,110,765	NP-DOC-1
Cash Fund	0	0	0	0	(145,251)	Supp/BA#5
Cash Funds Exempt / Reappropriated Funds	0	0	175,320	175,320	(809,851)	

FY 2009-10 Joint Budget Committee Staff Figure-Setting Recommendations
Department of Human Services - Mental Health and Alcohol and Drug Abuse Division ONLY

	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10		Change Requests
	Actual	Actual	Appropriation	Request	Staff Recomm.	
Educational Programs	912,050	1,044,932	713,371	761,957	456,947	
FTE	<u>12.8</u>	<u>13.8</u>	<u>15.0</u>	<u>15.0</u>	<u>11.5</u>	
General Fund	96,337	240,850	124,090	172,676	350,102	DI #17
Cash Fund	172,525	139,621	264,040	264,040	(141,733)	BA#52
Cash Funds Exempt / Reappropriated Funds	300,521	309,773	325,241	325,241	248,578	Supp/BA#5
Federal Funds	342,667	354,688	0	0	0	
TOTAL - Mental Health Institutes	89,015,608	93,656,556	98,927,812	103,493,982	100,548,226	
FTE	<u>1219.6</u>	<u>1249.1</u>	<u>1310.6</u>	<u>1,328.2</u>	<u>1,299.9</u>	
General Fund	66,427,688	73,976,723	78,275,227	82,841,397	82,966,998	
Cash Funds	3,445,060	3,543,805	10,741,590	10,741,590	10,054,374	
Cash Funds Exempt / Reappropriated Funds	18,800,193	15,781,340	9,910,995	9,910,995	7,526,854	
Federal Funds	342,667	354,688	0	0	0	
<i>For Information Only</i>						
<i>Medicaid Reappropriated Funds</i>	4,708,030	0	3,704,738	3,704,738	3,704,738	
<i>Medicaid - General Fund therein</i>	2,354,015	0	1,852,369	1,852,369	1,852,370	
<i>Net General Fund*</i>	68,781,703	0	78,508,122	84,693,766	84,819,368	

c/ JBC Action to consolidate these line items with the Mental Health Institutes line item

FY 2009-10 Joint Budget Committee Staff Figure-Setting Recommendations
Department of Human Services - Mental Health and Alcohol and Drug Abuse Division ONLY

	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10		Change Requests
	Actual	Actual	Appropriation	Request	Staff Recomm.	
(D) Alcohol and Drug Abuse Division						
Primary function: The Alcohol and Drug Abuse Division develops, supports, and advocates for comprehensive services to reduce alcohol, tobacco, and other drug abuse, and to promote healthy individuals, families, and communities. Cash fund sources include the Drug Offender Surcharge Fund, the Persistent Drunk Driver Cash Fund, the Law Enforcement Assistance Fund, and the Community Prevention and Treatment Fund, and the Drug Offender Surcharge Fund.						
(1) Administration						
Personal Services	1,992,175	1,995,426	2,133,368	2,257,426	2,249,926	
FTE	<u>25.3</u>	<u>26.2</u>	<u>30.1</u>	<u>30.0</u>	<u>30.1</u>	
General Fund	43,805	80,102	176,345	290,488 A	290,488	
FTE			2.6	2.6	2.6	
Cash Funds	35,986	66,702	50,677 S	48,420 A	48,420	DI#24
FTE			0.5	0.5	0.5	BA#17
Cash Funds Exempt / Reappropriated Funds	502,261	490,089	503,946 S	516,118 A	508,618	
FTE			7.2	7.1 A	7.2	
Federal Funds	1,410,123	1,358,533	1,402,400	1,402,400	1,402,400	
FTE			19.8	19.8	19.8	
<i>For Informational Purposes</i>						
Medicaid Reappropriated Funds	502,261	54,088	53,136	53,136	53,136	
Medicaid - General Fund therein	26,568	27,044	26,568	26,568	26,568	
Net General Fund	70,373	345,325	202,913	317,056	317,056	
Operating Expenses	<u>115,337</u>	<u>168,601</u>	<u>191,902</u>	<u>194,399</u>	<u>193,287</u>	
Cash Funds	17,322	5,000	20,796	20,891	20,796	DI#24
Cash Funds Exempt / Reappropriated Funds	2,613	7,173	4,992	4,992	4,992	
Federal Funds	95,402	156,428	166,114	168,516	167,499	NP #1, NP#2
<i>For Informational Purposes</i>						
Medicaid Reappropriated Funds	952	952	952	952	952	
Medicaid - General Fund therein	476	476	476	476	476	
Net General Fund	476	476	476	476	476	

FY 2009-10 Joint Budget Committee Staff Figure-Setting Recommendations
Department of Human Services - Mental Health and Alcohol and Drug Abuse Division ONLY

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	Actual	Actual	Appropriation	Request	Staff Recomm.	
Other Federal Grants - FF	<u>110,725</u>	<u>217,124</u>	<u>457,383</u>	<u>457,383</u>	<u>457,883</u>	
FTE	1.2	0.0	0.0	0.0	0.0	
Indirect Cost Assessment	<u>198,293</u>	<u>243,702</u>	<u>243,723</u>	<u>243,723</u>	<u>243,723</u>	
Cash Funds	2,134	3,259	3,280	3,280	3,280	
Federal Funds	196,159	240,443	240,443	240,443	240,443	
Subtotal - (1) Administration	2,416,530	2,624,853	3,026,376	3,152,931	3,144,819	
FTE	<u>26.5</u>	<u>26.2</u>	<u>30.1</u>	<u>30.0</u>	<u>30.1</u>	
General Fund	43,805	80,102	176,345	290,488	290,488	
Cash Funds	55,442	74,961	74,753	72,591	72,496	
Cash Funds Exempt / Reappropriated Funds	504,874	497,262	508,938	521,110	513,610	
Federal Funds	1,812,409	1,972,528	2,266,340	2,268,742	2,268,225	
<i>For Information Only</i>						
Medicaid Reappropriated Funds	503,213	491,041	54,088	54,088	54,088	
Medicaid - General Fund therein	27,044	27,520	27,044	27,044	27,044	
Net General Fund**	70,849	107,622	203,389	317,532	317,532	

(2) Community Programs

(a) Treatment Services

Treatment and Detoxification Contracts	<u>22,828,920</u>	<u>22,684,553</u>	<u>22,931,861</u> S	<u>23,192,453</u>	<u>22,560,539</u>	
General Fund	11,187,651	11,217,519	11,339,690 S	11,350,282 A	10,718,368	
Cash Funds	1,002,616	902,825	968,518 S	1,203,518	1,218,518	DI #15
Cash Funds Exempt / Reappropriated Funds	290,706	251,762	275,706 S	290,706	275,706	BA#17, 45
Federal Funds	10,347,947	10,312,447	10,347,947	10,347,947	10,347,947	

FY 2009-10 Joint Budget Committee Staff Figure-Setting Recommendations
Department of Human Services - Mental Health and Alcohol and Drug Abuse Division ONLY

	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10		Change Requests
	Actual	Actual	Appropriation	Request	Staff Recomm.	
Case Management - Chronic Detox Clients	<u>369,288</u>	<u>369,324</u>	<u>369,361</u>	<u>369,361</u>	<u>369,361</u>	
General Fund	2,405	2,441	2,478	2,478 A	2,478	BA#51
Federal Funds	366,883	366,883	366,883	366,883	366,883	
Short-Term Intensive Residential Remediation Treatment		<u>2,993,103</u>	<u>3,741,037</u>	<u>3,750,570</u>	<u>3,401,037</u>	
General Fund		1,985,287	3,357,721 S	3,367,254 A	3,017,721	BA# 45, 51
Cash Funds		383,316	383,316	383,316	383,316	
Cash Funds Exempt / Reappropriated Funds		589,000	0	0	0	
Federal Funds		35,500	0	0	0	
High Risk Pregnant Women - RF	<u>1,109,447</u>	<u>1,505,150</u>	<u>1,013,698</u>	<u>2,039,945</u>	<u>2,039,945</u>	
<i>Medicaid Reappropriated Funds</i>	<i>1,109,447</i>	<i>1,505,150</i>	<i>1,013,698 S</i>	<i>2,039,945</i>	<i>2,039,945</i>	Supp#8
<i>Medicaid General Fund therein</i>	<i>554,724</i>	<i>752,575</i>	<i>506,849 S</i>	<i>1,019,973</i>	<i>1,019,973</i>	DI #14
Family-Centered Treatment (NEW LINE)				<u>647,344</u>	<u>0</u>	DI #26
General Fund				647,344 A	0	BA#41
School-based Mental Health & Substance Use Treatment for Adolescents (NEW LINE)				<u>908,620</u>	<u>0</u>	DI#27
Reappropriated Funds (State Education Fund)				908,620	0	
Subtotal - (a) Treatment Services	<u>24,307,655</u>	<u>27,552,130</u>	<u>28,055,957</u>	<u>30,908,293</u>	<u>28,370,882</u>	
General Fund	11,190,056	13,205,247	14,699,889	15,367,358	13,738,567	
Cash Funds	1,002,616	1,286,141	1,351,834	1,586,834	1,601,834	
Cash Funds Exempt / Reappropriated Funds	1,400,153	2,345,912	1,289,404	3,239,271	2,315,651	
Federal Funds	10,714,830	10,714,830	10,714,830	10,714,830	10,714,830	
<i>For Information Only</i>						
<i>Medicaid Reappropriated Funds</i>	<i>1,109,447</i>	<i>1,505,150</i>	<i>1,013,698</i>	<i>2,039,945</i>	<i>2,039,945</i>	
<i>Medicaid - General Fund therein</i>	<i>554,724</i>	<i>752,575</i>	<i>506,849</i>	<i>1,019,973</i>	<i>1,019,973</i>	
<i>Net General Fund</i>	<i>11,744,780</i>	<i>13,957,822</i>	<i>14,557,263</i>	<i>16,387,331</i>	<i>14,758,540</i>	

FY 2009-10 Joint Budget Committee Staff Figure-Setting Recommendations
Department of Human Services - Mental Health and Alcohol and Drug Abuse Division ONLY

	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10		Change Requests
	Actual	Actual	Appropriation	Request	Staff Recomm.	
Prevention and Intervention						
Prevention Contracts	<u>3,925,393</u>	<u>3,897,234</u>	<u>3,887,638</u>	<u>3,887,638</u>	<u>3,887,638</u>	
General Fund	33,329	33,829	34,336	34,336	34,336	
Cash Funds	0	27,072	27,072	27,072	27,072	
Cash Funds Exempt / Reappropriated Funds	0	0	0	0	0	
Federal Funds	3,892,064	3,836,333	3,826,230	3,826,230	3,826,230	
Persistent Drunk Driver Programs	<u>480,654</u>	<u>696,574</u>	<u>1,046,408</u>	<u>1,108,199</u>	<u>1,108,199</u>	
Cash Funds	474,866	590,060	1,046,408 S	964,984	1,108,199	DI #24
Cash Funds Exempt / Reappropriated Funds	5,788	106,514	0 S	143,215	0	
Law Enforcement Assistance Contracts	<u>250,000</u>	<u>252,574</u>	<u>255,000</u>	<u>255,000</u>	<u>255,000</u>	
Cash Funds	245,333	250,503	255,000 S	250,000	255,000	
Cash Funds Exempt / Reappropriated Funds	4,667	2,071	0 S	5,000	0	
Subtotal - (b) Prevention and Intervention	<u>4,656,047</u>	<u>4,846,382</u>	<u>5,189,046</u>	<u>5,250,837</u>	<u>5,250,837</u>	
General Fund	33,329	33,829	34,336	34,336	34,336	
Cash Funds	720,199	867,635	1,328,480 S	1,242,056	1,390,271	
Cash Funds Exempt / Reappropriated Funds	10,455	108,585	0 S	148,215	0	
Federal Funds	3,892,064	3,836,333	3,826,230	3,826,230	3,826,230	
(c) Other Programs						
Federal Grants	<u>2,520,885</u>	<u>2,626,981</u>	<u>5,063,429</u>	<u>5,063,429</u>	<u>5,063,429</u>	
Cash Funds Exempt / Reappropriated Funds	0	0	195,500	195,500	195,500	BA#51
Federal Funds	2,520,885	2,626,981	4,867,929	4,867,929	4,867,929	
Balance of Substance Abuse Block Grant Programs	<u>6,742,646</u>	<u>6,703,064</u>	<u>6,675,155</u>	<u>6,675,155</u>	<u>6,675,155</u>	
General Fund	184,196	186,959	189,763	189,763	189,763	BA#51
Federal Funds	6,558,450	6,516,105	6,485,392	6,485,392	6,485,392	

FY 2009-10 Joint Budget Committee Staff Figure-Setting Recommendations
Department of Human Services - Mental Health and Alcohol and Drug Abuse Division ONLY

	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10		Change Requests
	Actual	Actual	Appropriation	Request	Staff Recomm.	
Community Treatment & Prevention	0	<u>527,906</u>	<u>1,043,689</u>	1,043,689	Pending	
Cash Funds		0	1,043,689 S	0		
Reappropriated Funds		527,906	0	1,043,689		
Gambling Addiction Counseling Services			<u>129,961</u>	<u>129,961</u>	<u>129,961</u>	
Reappropriated Funds			129,961	129,961	129,961	BA#17
Subtotal (c) Other Programs	<u>9,263,531</u>	<u>9,857,951</u>	<u>12,912,234</u>	<u>12,912,234</u>	<u>11,868,545</u>	
General Fund	184,196	186,959	189,763	189,763	189,763	
Cash Funds	0	0	1,043,689 S	0	0	
Cash Funds Exempt / Reappropriated Funds	0	527,906	325,461	1,369,150	325,461	
Federal Funds	9,079,335	9,143,086	11,353,321	11,353,321	11,353,321	
Subtotal - (2) Community Programs	<u>38,227,233</u>	<u>42,256,463</u>	<u>46,157,237</u>	<u>49,071,364</u>	<u>45,490,264</u>	
General Fund	11,407,581	13,426,035	14,923,988	15,591,457	13,962,666	
Cash Funds	1,722,815	2,153,776	3,724,003	2,828,890	2,992,105	
Cash Funds Exempt / Reappropriated Funds	1,410,608	2,982,403	1,614,865	4,756,636	2,641,112	
Federal Funds	23,686,229	23,694,249	25,894,381	25,894,381	25,894,381	
<i>For Information Only</i>						
Medicaid Reappropriated Funds	1,109,447	1,505,150	1,013,698	2,039,945	2,039,945	
Medicaid - General Fund therein	554,724	752,575	506,849	1,019,973	1,019,973	
Net General Fund	11,744,780	13,957,822	14,557,263	16,387,331	14,758,540	

FY 2009-10 Joint Budget Committee Staff Figure-Setting Recommendations
Department of Human Services - Mental Health and Alcohol and Drug Abuse Division ONLY

	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10		Change Requests
	Actual	Actual	Appropriation	Request	Staff Recomm.	
TOTAL - (D) Alcohol and Drug Abuse Division	40,643,763	44,881,316	49,183,613	52,224,295	48,635,083	
FTE	<u>26.5</u>	<u>26.2</u>	<u>30.1</u>	<u>30.0</u>	<u>30.1</u>	
General Fund	11,451,386	13,506,137	15,100,333	15,881,945	14,253,154	
Cash Funds	1,778,257	2,228,737	3,798,756	2,901,481	3,064,601	
Cash Funds Exempt / Reappropriated Funds	1,915,482	3,479,665	2,123,803	5,277,746	3,154,722	
Federal Funds	25,498,638	25,666,777	28,160,721	28,163,123	28,162,606	
<i>For Information Only</i>						
Medicaid Reappropriated Funds	1,612,660	1,996,191	1,067,788	2,094,033	2,094,033	
Medicaid - General Fund therein	581,768	780,095	533,893	1,047,017	1,047,017	
Net General Fund*	12,033,154	14,286,232	15,654,351	16,928,962	15,300,171	
TOTAL - (4) Mental Health and Alcohol and Drug Abuse Services	196,054,076	206,536,275	226,034,037	234,386,169	222,966,918	
FTE	<u>1288.0</u>	<u>1317.8</u>	<u>1,396.5</u>	<u>1414.0</u>	<u>1385.4</u>	
General Fund	114,473,937	125,450,039	135,405,194	141,334,587	139,325,703	
Cash Funds	6,508,375	9,965,232	20,235,081	19,403,948	14,501,263	
Cash Funds Exempt / Reappropriated Funds	22,427,718	20,641,558	12,641,131	15,818,848	11,311,683	
Federal Funds	52,644,046	50,479,446	57,752,631	57,828,786	57,828,269	
<i>For Information Only</i>						
Medicaid Reappropriated Funds	6,906,244	2,442,042	5,216,948	6,266,969	6,147,744	
Medicaid - General Fund therein	3,119,326	979,263	2,584,362	3,109,373	3,073,875	
Net General Fund**	117,593,263	52,452,579	138,279,580	144,443,960	142,399,578	

**DEPARTMENT OF HUMAN SERVICES
MENTAL HEALTH AND ALCOHOL AND DRUG ABUSE DIVISION ONLY
FY 2009-10 FIGURE SETTING**

JBC WORKING DOCUMENT - DECISIONS SUBJECT TO CHANGE
STAFF RECOMMENDATION DOES NOT REPRESENT COMMITTEE DECISION

Summary of Major Recommendations <i>FY 2008-09</i>					
Item	Total Funds	General Fund	Cash Funds	Reapprop Funds	FTE
High Risk Pregnant Women	\$597,350	\$0	\$0	\$597,350	0.0
Mental Health Institute revenue adjustments and updated fund splits	0	3,200,323	(2,749,236)	(451,087)	0.0
Supp NP-DOC-1- Decreased utilization of General Hospital	(84,086)	518,988	0	(603,074)	0.0
Supplemental, reduce STIRRT continuing care funds	(340,000)	(340,000)	0	0	0
Total	\$173,264	\$3,379,311	(\$2,749,236)	(\$456,811)	0.0

Summary of Major Recommendations <i>FY 2009-10</i>						
Item	Total Funds	General Fund	Cash Funds	Reapprop Funds	Federal Funds	FTE
Salary survey awarded for FY 2008-09	\$2,622,958	\$2,548,891	\$0	\$18,155	\$55,912	0.0
High Risk Pregnant Women Program (DI#14)	1,026,247	0	1,026,247	0	0	0.0
80.0 percent performance-based pay awarded for FY 2008-09	929,839	908,110	0	5,619	16,110	0.0
Annualize FY 2008-09 DI#1, open new Forensic Institute	871,632	871,632	0	0	0	17.6
Drug Offender Surcharge Fund (DI#15)	250,000	0	250,000	0	0	0.0
Reinstate spending authority from hiring freeze	243,252	243,252	0	0	0	0.0
Annualize FY 2008-09 decision item, compression pay	89,672	89,672	0	0	0	0.0
Persistent Drunk Driver (DI#24)	71,706	0	71,706	0	0	0.0

**DEPARTMENT OF HUMAN SERVICES
MENTAL HEALTH AND ALCOHOL AND DRUG ABUSE DIVISION ONLY
FY 2009-10 FIGURE SETTING**

JBC WORKING DOCUMENT - DECISIONS SUBJECT TO CHANGE
STAFF RECOMMENDATION DOES NOT REPRESENT COMMITTEE DECISION

Summary of Major Recommendations <i>FY 2009-10</i>						
Item	Total Funds	General Fund	Cash Funds	Reapprop Funds	Federal Funds	FTE
Capital outlay (DI#5)	66,150	66,150	0	0	0	0.0
Reflect local fund match for the Family Advocacy Demonstration Sites line item	39,231	0	39,231	0	0	0.0
Annualize H.B. 1314 (BA#17)	7,266	0	0	7,266	0	0.0
Postage rate increase (NP-2) ^{1/}	7,109	3,993	0	0	3,116	0.0
Carry forward \$340,000 GF reduction of STIRRT continuing care funds (BA#45)	0	0	0	0	0	0.0
Mental Health Institute updated revenue adjustments (BA#5)	0	2,302,387	(2,040,060)	(262,327)	0	0.0
Annualize reduction of FCBS outpatient fund (BA#24)	(10,000)	(10,000)	0	0	0	0.0
BA NP-DOC-1, Decrease utilization of General Hospital	(15,765)	100,282	0	(116,047)	0	0.0
Close TRCCF ^{2/} (BA#52)	(166,049)	(166,049)	0	0	0	(28.7)
Eliminate Provider Performance Monitoring System (BA#17)	(310,661)	(310,661)	0	0	0	0.0
Close General Hospital at CMHIP ^{3/} (BA#31)	(2,992,082)	(1,854,874)	(145,251)	(991,957)	0	0.0
Total	\$2,730,505	\$4,792,785	(\$798,127)	(\$1,339,291)	\$75,138	(11.1)
<p>1/ Postage rate increase is a statewide common policy and the formal recommendation is included in the Department of Personnel's figure-setting. This packet contains the Department's request, and staff requests permission to apply Committee common policy once it is determined.</p> <p>2/ The total savings for closing the TRCCF is \$416,982 General Fund and 29.6 FTE. This table reflects only the amount that is included in this specific packet.</p> <p>3/ The total savings for closing the General Hospital is \$3,226,976 and 35.7 FTE, including \$2,089,768 General Fund. This table reflects only the amount included in this specific packet.</p>						

DEPARTMENT OF HUMAN SERVICES
MENTAL HEALTH AND ALCOHOL AND DRUG ABUSE DIVISION ONLY
FY 2009-10 FIGURE SETTING

JBC WORKING DOCUMENT - DECISIONS SUBJECT TO CHANGE
STAFF RECOMMENDATION DOES NOT REPRESENT COMMITTEE DECISION

Note About the Federal Medicaid Assistance Percentage (FMAP):

Currently, Medicaid funds transferred from the Department of Health Care Policy and Financing (HCPF) are comprised of 50.0 percent General Fund and 50.0 percent federal funds. The American Recovery and Reinvestment Act includes FMAP, which increases the federal fund portion of the matching funds and offsets General Fund. FMAP will be discussed in more detail during the HCPF figure-setting presentation, but it is helpful to note that FMAP would impact three line items within this section of the Long Bill. During FY 2008-09, it will offset \$177,784 General Fund, and during FY 2009-10 it is estimated to offset \$287,331 General Fund within the Division of Mental Health and Alcohol and Drug Abuse Division.

(8) Mental Health and Alcohol and Drug Abuse Services

Several departments include funds for mental health and substance abuse services, but this document references only those funds and services delivered through the Department of Human Services. It is divided into several sections:

- Central administration
- Mental health community programs
- Mental health institutes
- Alcohol and Drug Abuse Division (ADAD)
- ADAD community programs

(A) ADMINISTRATION

The Administration section contains an appropriation for the central administration of mental health and alcohol and drug abuse services. It also includes funds for federal housing programs for low-income and indigent people who require specialized care. The primary source of the reappropriated funds in this section is Medicaid cash funds transferred from the Department of Health Care Policy and Financing. A grant from the U.S. Department of Housing and Urban Development is the primary source of federal funds.

**DEPARTMENT OF HUMAN SERVICES
MENTAL HEALTH AND ALCOHOL AND DRUG ABUSE DIVISION ONLY
FY 2009-10 FIGURE SETTING**

JBC WORKING DOCUMENT - DECISIONS SUBJECT TO CHANGE
STAFF RECOMMENDATION DOES NOT REPRESENT COMMITTEE DECISION

Personal Services

Staff recommends a total appropriation of \$2,279,127 and 25.4 FTE. This amount is comprised of \$969,381 General Fund, \$241,603 cash funds, \$337,699 reappropriated funds, and \$730,444 federal funds. The calculations are detailed in the following table.

Administration: Personal Services						
	Total Funds	General Fund	Cash Funds	Reapprop Funds	Federal Funds	FTE
FY 2008-09 Long Bill	2,246,124	900,647	301,108	313,925	730,444	25.8
Supplemental	(75,759)	(16,254)	(59,505)	0	0	(0.6)
Salary survey awarded in FY 08-09	70,643	52,488	0	18,155	0	0.0
80.0 percent performance-based pay awarded in FY 08-09	21,865	16,246	0	5,619	0	0.0
FY 2009-10 Base Request	2,262,873	953,127	241,603	337,699	730,444	25.2
Annualize FY 2008-09 supplemental	16,254	16,254	0	0	0	0.2
FY 2009-10 Recommendation	\$2,279,127	\$969,381	\$241,603	\$337,699	\$730,444	25.4

Operating Expenses

The Department requests, and staff recommends, an appropriation of \$96,441 for this line item. This amount is comprised of a continuation level of funding (\$27,071 General Fund, \$5,777 cash funds, \$11,274 reappropriated funds, and \$51,390 federal funds), as well as an increase of \$929 General Fund for postage rate increases. The postage rate increase is a part of the nonprioritized request #2, and the formal recommendations for this request is included with the Department of Personnel's figure-setting. The amount is included here for informational purposes only, and staff requests permission to adjust this appropriation to match the Committee's final decision.

Federal Indirect Costs

This line item was created in the FY 2008-09 Long Bill to increase the Department's transparency. **The Department requests, and staff recommends, a continuation appropriation of \$27,138 federal funds for this line item.** This is a continuation level of funding.

**DEPARTMENT OF HUMAN SERVICES
MENTAL HEALTH AND ALCOHOL AND DRUG ABUSE DIVISION ONLY
FY 2009-10 FIGURE SETTING**

JBC WORKING DOCUMENT - DECISIONS SUBJECT TO CHANGE
STAFF RECOMMENDATION DOES NOT REPRESENT COMMITTEE DECISION

Federal Programs and Grants

This line item reflects funds received from federal authorities for special programs and grants. It includes funds for special purpose demonstration projects and research program grants funded at the Division level. Current grants include: 1) the Bloom grant, which serves children in the birth to five age range with severe emotional disturbance in four counties; and 2) a data infrastructure grant, which provides grant funds to continue the development of a comprehensive system of performance indicators for the mental health system.

The Department requests, and staff recommends, an appropriation of \$2,531,634 federal funds and 11.0 FTE for this line item. This amount represents a continuation level of funding from the FY 2008-09 appropriation, as well as \$20,187 for salary survey and performance-based pay awarded for FY 2008-09.

Supportive Housing and Homelessness Programs

This line item includes funds received from federal authorities to develop and provide resources and housing services for Colorado's homeless and persons with special needs. The Department estimates that during FY 2008-09, the program will provide 3,464 Section 8 federal rental subsidies and 460 Shelter plus Care vouchers. The Shelter plus Care vouchers are service-enriched rental subsidies for persons with mental illness.

The Department's November 1, 2008 request included decision item #13, which requested an additional \$241,718 General Fund for FY 2009-10 to support several of the Department's homelessness prevention programs. The requested dollars were for unfunded administrative costs and operating expenses due to changes in how the Department may use some of the federal housing funds. The Department later submitted a budget amendment (#42) that withdrew this request. The Department states that the Supportive Housing and Homeless Program will explore the following options to continue to operate the homelessness programs: 1) pursue opportunities for funds from other sources; 2) use existing reserve funding that is currently maintained for other purposes; and 3) where feasible, reorganize positions within the Division to shift expenses to programs covered by other sources of funds.

The Department requests, and staff recommends, an appropriation of \$20,091,488 federal funds and 19.0 FTE. This amount is comprised of a continuation of the prior year's funds, an additional \$51,835 for salary survey and performance-based pay awarded for FY 2008-09, and an additional \$1,731 for postage increase and mail equipment upgrade. The postage rate increase and mail equipment upgrade is part of a statewide common policy to be formally determined during the Department of Personnel figure-setting. It is reflected here for informational purposes and staff

DEPARTMENT OF HUMAN SERVICES
Mental Health and Alcohol and Drug Abuse Division
FY 2009-10 Figure Setting
JBC WORKING DOCUMENT - DECISIONS SUBJECT TO CHANGE
STAFF RECOMMENDATION DOES NOT REPRESENT COMMITTEE DECISION

requests permission to adjust the amount to reflect Committee common policy, once it has been determined.

(B) MENTAL HEALTH COMMUNITY PROGRAMS

This section of the Long Bill includes mental health services that are purchased from community mental health centers and clinics. In addition to General Fund, the division includes Medicaid funds transferred from the Department of Health Care Policy and Financing (that generally originate as 50.0 percent General Fund and 50.0 percent federal funds), tobacco litigation settlement funds, and local matches. The federal funds are primarily from the Mental Health Services Block Grant.

Community Provider Rates

The Department's initial November 1, 2008, budget request did not include an inflationary increase for community provider rates, and requested that the FY 2009-10 appropriation remain constant at the FY 2008-09 level. The Department submitted its budget-balancing plan on January 25, 2009, and it included budget amendment #51, to reduce community provider rates by 1.5 percent. This would return the rates to their initial FY 2007-08 amounts. Staff's understanding is that Committee common policy is to hold the provider rates constant at the FY 2008-09 amounts.

If, at a later date, the Committee accepted the Department's request to reduce the provider rates to the FY 2007-08 fund levels, the Department's proposal would save a total of \$642,748 (\$560,813 General Fund, \$76,030 cash funds, and \$5,905 reappropriated funds) within the community mental health section. However, staff's calculations are that **if the community provider rates were returned to the FY 2007-08 amounts within this section, it would generate a savings of \$534,052 (\$524,322 General Fund, \$9,730 cash funds, and \$5,950 reappropriated funds).**

(1) Mental Health Services for the Medically Indigent

Services for 10,296 Indigent Mentally Ill Clients

This line item funds services for medically indigent, non-Medicaid eligible individuals with chronic and major mental illnesses, and children and adolescents with severe emotional disturbances. Pursuant to Section 27-1-203, C.R.S., the Department of Human Services contracts annually with the State's 17 Community Mental Health Centers to provide these services. Services include partial care, outpatient care, case management, long-term care, inpatient care, residential care, and sheltered workshop/vocational placements.

DEPARTMENT OF HUMAN SERVICES
Mental Health and Alcohol and Drug Abuse Division
FY 2009-10 Figure Setting

JBC WORKING DOCUMENT - DECISIONS SUBJECT TO CHANGE
STAFF RECOMMENDATION DOES NOT REPRESENT COMMITTEE DECISION

The Department's November 1, 2008 budget request submission requested \$41,678,905 for this line item (\$35,283,427 General Fund, \$161,909 reappropriated funds, and \$6,233,569 federal funds), which was a continuation level of funding based on the FY 2008-09 Long Bill. The Department's January 25, 2009, budget balancing package included budget amendment #51, which would remove the 1.5 percent inflationary cost of living adjustment that was applied during FY 2008-09 and to reduce the provider rate to the FY 2007-08 amount. This proposal would reduce the line item by \$470,837 General Fund, resulting in a total appropriation of \$41,208,068 for FY 2009-10.

- ❑ Pursuant to Committee common policy, staff's recommendation does not include the Department's request to reduce the provider rates. It does include the FY 2008-09 supplemental adjustment that transferred funds for medications for the indigent mentally ill to a separate line item. It also incorporates supplemental / budget amendment #24, to eliminate the forensic community-based services outpatient fund for community mental health centers that treat outpatient forensic patients.

- ❑ **Staff recommends appropriating \$39,839,202 (\$33,443,724 General Fund, \$161,909 reappropriated funds, and \$6,233,569 federal funds) for the Services for Indigent Mentally Ill Clients line item.** Staff's calculations are included in the following table.

Note about the Long Bill: The Long Bill has historically included an estimated number of clients served by this line item. This number is an estimate, at best, and the average "cost per client" is not adjusted on an annual basis. Additionally, the line item includes funds that expand services for current clients but do not increase the actual number of clients served. Staff is concerned that including this information promotes a false sense of accuracy, and **recommends that this line item no longer include an estimated number of clients served.**

DEPARTMENT OF HUMAN SERVICES
Mental Health and Alcohol and Drug Abuse Division
FY 2009-10 Figure Setting

JBC WORKING DOCUMENT - DECISIONS SUBJECT TO CHANGE
 STAFF RECOMMENDATION DOES NOT REPRESENT COMMITTEE DECISION

Services for Indigent Mentally Ill Clients				
	Total Funds	General Fund	Reapprop Funds	Federal Funds
FY 2008-09 Long Bill	\$41,678,905	\$35,283,427	\$161,909	\$6,233,569
Supp #24, reduce community- based forensic dollars	(90,000)	(90,000)	0	0
Staff supp. FY 2008-09 ^{1/}	(1,739,703)	(1,739,703)	0	0
Total FY 2008-09 Approp.	\$39,849,202	\$33,453,724	\$161,909	\$6,233,569
Annualize Supp/BA #24	(10,000)	(10,000)	0	0
Recommendation FY 2009-10	\$39,839,202	\$33,443,724	\$161,909	\$6,233,569
1/ These funds were transferred to a new line item, "Medications for the Indigent Mentally III", for the FY 2009-10 Long Bill.				

Medications for the Indigent Mentally III [NEW LINE ITEM]

These funds were previously included in the "Services for Indigent Mentally Ill Clients" line item, which combined community provider dollars with those for medications. As a part of the FY 2008-09 supplemental presentation, staff recommended that these funds be reflected in their own line item to increase the Long Bill's transparency. **Staff recommends \$1,713,993 for the Medications for the Indigent Mentally III line item.**

Early Childhood Mental Health Services

This line item supports early childhood mental health specialists in each of the 17 community mental health centers. Several evaluations of these services have identified demonstrated improvements in child and family functioning. The Department requests \$1,152,786 General Fund, which includes the provider rate reduction to the FY 2007-08 amount. Pursuant to Committee common policy, **staff recommends an appropriation of \$1,170,078 General Fund**, which is a continuation level of funds based on the FY 2008-09 Long Bill.

DEPARTMENT OF HUMAN SERVICES
Mental Health and Alcohol and Drug Abuse Division
FY 2009-10 Figure Setting

JBC WORKING DOCUMENT - DECISIONS SUBJECT TO CHANGE
STAFF RECOMMENDATION DOES NOT REPRESENT COMMITTEE DECISION

Assertive Community Treatment Programs

This line item funds services for adults with serious and persistent mental illness who are at risk for involvement with the criminal justice system. Currently, the program is delivered by three community mental health centers (Alamosa, Boulder, and Denver) and it serves approximately 105 individuals. The Division has conducted several evaluations of this program and the results included that it: 1) reduced psychiatric hospitalizations by more than 50.0 percent; 2) reduced the average time spent in the hospital from one month to one week (an average of 29 days to 7.3 days); and 3) reduced the average length of incarceration from 31.2 days to 18.2 days.

The Department's request includes budget amendment #51, to reduce the community provider cost of living adjustment by \$19,460 (\$9,730 General Fund and \$9,730 cash funds). Pursuant to Committee common policy, staff's recommendation does not include this reduction. **Staff recommends appropriating \$1,316,734 (\$658,367 General Fund and \$658,367 cash funds) for FY 2009-10.**

Alternatives to Inpatient Hospitalization at the Mental Health Institutes

This line item funds services such as: (1) alternative placements for people who would otherwise require hospitalization at the Institutes; (2) physical therapy, behavioral programs, medication administration education and practice, occupational therapy, and other services to improve the patient's level of functioning to enhance his or her success in the community; and (3) according to the Department, these funds will provide services to approximately 970 individuals during FY 2008-09. The Department submitted budget amendment #51, to reduce the community provider cost of living adjustment to its FY 2007-08 amount. This would reduce the appropriation by \$44,667 General Fund. Pursuant to Committee common policy, staff's recommendation does not incorporate this request. **Staff recommends an appropriation of \$3,022,489 General Fund for FY 2009-10.**

Enhanced Mental Health Pilot Services for Detained Youth

This program is funded through both the Division of Youth Corrections (DYC) and the Division of Mental Health. Services are delivered by two community mental health centers, Colorado West (Mesa County) and Jefferson Center. The centers screen youth in DYC detention facilities and provide services to those with significant mental health needs, then continue to provide mental health services after the youth return to the community. This line item supports the community-based mental health services portion of the program, and during FY 2007-08 it served 220 individuals. The following table provides additional outcome data about the services funded through this line item.

The Department submitted budget amendment #51, to reduce the community provider cost of living adjustment to its FY 2007-08 amount. This would reduce the appropriation by \$7,506 General Fund.

DEPARTMENT OF HUMAN SERVICES
Mental Health and Alcohol and Drug Abuse Division
FY 2009-10 Figure Setting

JBC WORKING DOCUMENT - DECISIONS SUBJECT TO CHANGE
 STAFF RECOMMENDATION DOES NOT REPRESENT COMMITTEE DECISION

Pursuant to Committee common policy, staff's recommendation does not incorporate this request.
Staff recommends appropriating \$507,920 General Fund for FY 2009-10.

<i>Community-based Enhanced Mental Health Services for Detained Youth</i>				
CMHC	Detention Site	FY 2005-06	FY 2006-07	FY 2007-08
Colorado West	Grand Mesa	57	81	100
Jefferson Center	Mount View	89	128	120
Total		146	209	220
The Department estimates that in FY 2008-09, 232 youth will be served in community settings.				

Family Advocacy Demonstration Sites

This line item was created by H.B. 07-1057, which reallocated a portion of the tobacco litigation settlement dollars to several programs. In accordance with Section 26-22-103, C.R.S., line item funds three demonstration programs (one each in urban, suburban, and rural locations) to provide family advocate services to youth with mental health issues who are involved in the criminal justice system, or who are at risk of such involvement, and their families. The aim is to integrate family advocacy into community-based systems of care.

Pursuant to Section 26-22-104 (6), C.R.S., these programs are required to provide money and/or services in an amount equal to 20.0 percent of the program's total cost. The Department submitted a FY 2008-09 supplemental request to reflect these local matching funds (\$39,231) in the Long Bill. This request did not meet supplemental criteria to amend the FY 2008-09 Long Bill, but staff recommends that the local matching funds be reflected in the FY 2009-10 Long Bill for informational purposes. **Staff recommends a total appropriation of \$196,154 cash funds**, which includes \$156,923 cash funds (tobacco litigation settlement dollars) and the \$39,231 local funds match. *Please note:* This program will be repealed at the end of FY 2010-11.

DEPARTMENT OF HUMAN SERVICES
Mental Health and Alcohol and Drug Abuse Division
FY 2009-10 Figure Setting

JBC WORKING DOCUMENT - DECISIONS SUBJECT TO CHANGE
 STAFF RECOMMENDATION DOES NOT REPRESENT COMMITTEE DECISION

Mental Health Services for Juvenile and Adult Offenders

This line item was created by S.B. 07-097, which allocated tobacco litigation settlement funds for the purchase of mental health services for juvenile and adult offenders who are involved in the criminal justice system. Pursuant to Section 27-1-204 (5.5), C.R.S., these funds support programs that provide mental health and substance abuse services for adults and juveniles who are involved in the criminal justice system. The Department contracts with community mental health centers based upon the local area need and best practices. The average cost per client during FY 2007-08 was \$5,598, and the number of clients served is included in the following table.

Mental Health Services for Juvenile and Adult Offenders					
Clients Served July, 2007 - September, 2008					
	2007		2008		
	July - Sept.	Oct. - Dec.	Jan. - March	April - June	July - Sept.
Number of Clients Referred	44	85	309	189	277
Number of Clients Admitted	29	73	182	181	151

Pursuant to Section 24-75-1104.5 (1.5) (a) (II), C.R.S., the Offender Mental Health Services Fund receives 12.0 percent of the tobacco litigation settlement monies that are allocated for "Tier 2" programs. **Staff recommendation is pending** the figure-setting of the Tobacco programs. The amount will be driven by the most recent tobacco dollar revenue projections and the Committee's decisions.

Veteran Mental Health

This line item was created by S.B. 07-146 and it funds a three-year pilot program to provide mental health services for the families of recently discharged veterans. The legislation transferred tobacco settlement funds from the Short-Term Innovative Health Programs Grant Fund to be distributed to community mental health centers in the Colorado Springs area. In accordance with Section 27-1-304, C.R.S., the purpose is to educate veterans and their families about mental health issues, to encourage the families of discharged veterans to seek mental health services, and to provide mental health services to discharged veterans who would not otherwise be able to access them. Based on total program expenditures divided by the total number of clients served, the average cost per client in FY 2007-08 was \$5,759. The high cost per client was influenced by start-up costs such as website development, staff recruitment, and community outreach. Based upon the first quarter of FY 2008-09, the Department anticipates that the per-client cost will decrease to \$792.

**DEPARTMENT OF HUMAN SERVICES
Mental Health and Alcohol and Drug Abuse Division - Mental Health Sections
FY 2009-10 Figure Setting**

JBC WORKING DOCUMENT - DECISIONS SUBJECT TO CHANGE
STAFF RECOMMENDATION DOES NOT REPRESENT COMMITTEE DECISION

Staff recommends an appropriation of \$285,529 cash funds, which is a continuation level of funding. Please note, this program is scheduled to be repealed at the end of FY 2009-10.

(2) Residential Treatment for Youth

Pursuant to Sections 27-10.3-101 through 107, C.R.S., this program provides parents the option of residential services for their child's mental health treatment without requiring a dependency and neglect action through a local county Departments of Social Services. The program provides funds to assist families in placing their children in therapeutic residential child care facilities (TRCCFs) or psychiatric residential treatment facilities (PRTFs) if the child is not eligible for Medicaid nor suitable for a placement based on "dependency and neglect" criteria. The funds help to cover initial costs of treatment and room and board costs for children who are subsequently expected to obtain Medicaid eligibility based on a disability and their temporary placement in the residential treatment center. The Department covers costs that are not covered by private insurance, sliding-scale parent fees, Medicaid, and Supplemental Security Income (SSI) benefits for children in the program. It is estimated that this program will serve 66 youth with both residential and outpatient services during FY 2008-09.

The Department reports that during FY 2007-08, \$558,182 was spent on residential treatment services through this line item. Additionally, \$174,526 was spend on community-based services to both assist the transition out of residential treatment and to provide alternative services to prevent residential treatment.

Youth Served in Residential Placements by the Colorado Mental Health Treatment Act (H.B. 99-1116)		
Fiscal Year	Youth	Average Length of Stay
2004-05	14	321 days
2005-06	12	364 days
2006-07	29	177 days
2007-08	30	93 days

Staff recommends an appropriation of \$991,211 (\$591,599 General Fund, \$280,387 cash funds, and \$119,225 reappropriated funds).

DEPARTMENT OF HUMAN SERVICES
Mental Health and Alcohol and Drug Abuse Division - Mental Health Sections
FY 2009-10 Figure Setting

JBC WORKING DOCUMENT - DECISIONS SUBJECT TO CHANGE
 STAFF RECOMMENDATION DOES NOT REPRESENT COMMITTEE DECISION

(C) MENTAL HEALTH INSTITUTES

The Department of Human Services operates two hospitals for the severely mentally ill: the Fort Logan Mental Health Institute, located in Denver, and the Mental Health Institute in Pueblo. The Mental Health Institutes line also includes funds for Sol Vista DYC Facility Services and La Vista DOC Facility Services, both of which opened at the Pueblo campus during FY 2006-07.

Average Daily Census at Ft. Logan and Pueblo Mental Health Institutes							
	Capacity ^{1/}	FY 2003-04	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09 Est. ^{2/}
Ft. Logan							
Children	16.0	8.2	9.4	9.6	10.1	10.1	8.0
Adolescent	18.0	10.4	13.0	12.4	11.8	10.9	10.0
TRCCF	20.0	17.2	17.3	17.0	16.8	17.0	16.1
Geriatric	25.0	16.5	20.2	21.9	19.8	23.1	21.8
Adult	94.0	85.3	90.0	89.0	88.5	88.2	87.2
Total	173.0	137.6	149.9	149.9	147.0	149.3	143.1
Pueblo							
Forensic ^{2/}	298.0 ^{2/}	250.5	242.7	241.5	243.0	277.6	281.2
Adolescents	16.0	10.1	10.0	10.4	10.3	10.5	9.9
Geriatrics	40.0	37.8	34.7	34.9	36.4	37.5	36.6
Adult	84.0	78.1	81.1	81.7	79.6	81.2	82.8
General Hospital	20.0	12.9	8.6	7.7	9.2	10.1	7.9
Total	458.0	389.4	377.1	376.2	378.5	416.9	418.4
Total Institutes	631.0	527.0	527.0	526.1	525.5	566.2	561.5

1/ Civil unit capacity has not changed since FY 2003-04. The forensic unit increased by ten beds during both FY 2007 and FY 2008, for a total increase of 20 beds.

2/ Based on first quarter data

DEPARTMENT OF HUMAN SERVICES
Mental Health and Alcohol and Drug Abuse Division - Mental Health Sections
FY 2009-10 Figure Setting

JBC WORKING DOCUMENT - DECISIONS SUBJECT TO CHANGE
STAFF RECOMMENDATION DOES NOT REPRESENT COMMITTEE DECISION

Mental Health Institutes

The Institutes' personal services and operating expenses line items were combined for the FY 2005-06 Long Bill to allow the Department greater flexibility and to minimize overexpenditure problems. The institutes are large enough that they are able to use vacancy savings to cover unanticipated expenditures without compromising patient care. However, as evidenced by the Department's minor capital outlay request, the combined line item is not achieving its purpose of preventing the Department from submitting small supplementals and funding requests for minor items. However, this combination does make it very difficult to track Institute expenditures.

- Staff recommends that the Long Bill reflect Ft. Logan and CMHIP as separate line items.** Each Institute will have combined personal services and operating line items, so that the Department may retain its flexibility in it uses the funds.

- If the Committee approves this request, staff requests permission to work with the Department to ensure that the dollars are accurately divided between the separate line items.** Due to the institutes' complexity, it is impossible to responsibly present final figures without giving the Department an opportunity to participate in the process. The total dollar amount, as well as the Committee's decisions, would remain intact.

Decision Item #5 - Capital Outlay Request

Department Request: The Department requests \$77,650 General Fund for FY 2009-10, which annualizes to \$152,250 General Fund in FY 2010-11, for capital outlay at the mental health institutes. The mental health institutes do not have a separate appropriation for capital outlay, so all such purchases are included in the general operating budget. The Department states that the allocation for this purpose (\$154,259) has not increased in five years, and it is unable to keep up with the increasing need to replace furniture, fixtures, and equipment. **The following table lists the components of the Department's two-year request.**

DEPARTMENT OF HUMAN SERVICES
Mental Health and Alcohol and Drug Abuse Division - Mental Health Sections
FY 2009-10 Figure Setting

JBC WORKING DOCUMENT - DECISIONS SUBJECT TO CHANGE
STAFF RECOMMENDATION DOES NOT REPRESENT COMMITTEE DECISION

Decision Item #5: Capital Outlay for Mental Health Institutes				
Institute	Item	Life (yrs)	Request	Recomm .
Year 1				
CMHIFL	EEG machine for medical clinic	7 yrs	\$40,000	\$40,000
CMHIP	Wardrobes and beds - 10 each	15	13,170	13,170
CMHIFL	Partitions, toilet	15	7,150	7,150
CMHIP	Seating with table and chairs attached	n/a	5,830	5,830
CMHIP - lab	Centrifuge	7	6,500	0
CMHIFL	Carpet	5	5,000	0
FY 2009-10			\$77,650	\$66,150
Year 2				
CMHIP	Refinish floor in rec center	10	\$58,875	\$0
CMHIFL	Expand panic alarm, incl. cameras & monitors	5 - 10	50,000	50,000
CMHIFL	Dental chair	15	13,500	0
CMHIFL	EKG machines - 2	7	10,500	10,500
CMHIFL	Parallel bars	15	6,875	6,875
CMHIFL	Dental xray machine	5	7,000	0
CMHIFL	Hi-lo mat for physical therapy department	15	5,500	0
FY 2010-11			\$152,250	\$67,375

Staff Recommendation: Staff recommends an appropriation of **\$66,150 General Fund for FY 2009-10**. Of this amount, \$47,150 would be allocated to Ft. Logan and \$19,000 would be allocated to the Colorado Mental Health Institute - Pueblo. The recommendation annualizes to \$67,375 General Fund for FY 2010-11.

Staff Analysis: Staff's recommendation is based on which components are related to the health, life, and safety needs of both the patients and the institute staff. Additionally, **staff's recommendation incorporates the Department's top priorities for each fiscal**

DEPARTMENT OF HUMAN SERVICES
Mental Health and Alcohol and Drug Abuse Division - Mental Health Sections
FY 2009-10 Figure Setting

JBC WORKING DOCUMENT - DECISIONS SUBJECT TO CHANGE
STAFF RECOMMENDATION DOES NOT REPRESENT COMMITTEE DECISION

year.¹

- ❑ The Institutes have the flexibility to **fund the remaining portion of the request within the existing \$94.8 million appropriation**. The mental health institutes receive \$154,000 annually for these types of capital outlay purchases, and this request is in addition to the existing appropriation. The Department has sufficient notice to prioritize the unfunded needs within its existing appropriation, especially for those that that are scheduled for FY 2010-11.

Decision Item #17 - Inflationary Increase for Food and Utilities

Department Request: The Department requests an additional \$192,181 General Fund for the mental health institutes line item and an additional \$26,083 General Fund for the Educational Programs line item. This is part of a Department-wide request for inflationary adjustments of 8.5 percent for food costs and 1.5 percent for utilities costs at the Department's residential facilities. The request indicates that additional funds for utilities costs are to be appropriated to the Office of Operations, so staff assumes that the requested increases for these two line items pertain solely to the food inflation.

Staff Recommendation: Pursuant to Committee common policy, staff **does not** recommend the Department's request.

Staff Analysis: The Committee's common policies for FY 2009-10 included no inflationary adjustment for food. However, staff provides the following information in the event that the Committee wishes to consider the request based upon its own merits. *If the Committee decides to consider this request, staff's recommendation would be to appropriate an additional \$55,243 to CMHIP.*

- ❑ As illustrated in the following table, the food costs for Ft. Logan have actually decreased between 2005 and 2008. This facility received a *1.8 percent increase for*

¹ At the Department's FY 2009-10 hearing, it was requested to provide staff with a prioritized list of the capital outlay items.

DEPARTMENT OF HUMAN SERVICES
Mental Health and Alcohol and Drug Abuse Division - Mental Health Sections
FY 2009-10 Figure Setting

JBC WORKING DOCUMENT - DECISIONS SUBJECT TO CHANGE
 STAFF RECOMMENDATION DOES NOT REPRESENT COMMITTEE DECISION

food expenditures for FY 2007-08, even though the total cost for food had decreased by 8.7 percent. The Department does not provide an explanation for why it anticipates that the food costs for Ft. Logan will increase by 8.5 percent.

- ❑ The request did not include an explanation for why it anticipates that the Education Programs expenditure requires an increase. However, it is staff's understanding that the Department of Education estimates that its funds to the Institutes will increase by 12.6 percent between FY 2008-09 and FY 2009-10.

- ❑ Pueblo's mental health institute receives approximately \$1.5 million annually from the Department of Corrections to provide meals to corrections facilities on the Colorado Mental Health Institute - Pueblo (CMHIP) campus. The updated mental health revenue adjustment forecasts a decrease in the FY 2008-09 and FY 2009-10 funds from Corrections, indicating a decreased demand for meals. There are indications that this portion of CMHIP's dietary budget will not increase during FY 2008-09 or FY 2009-10. Staff subtracted this amount from the total food expenditures and identified \$649,918 that could potentially be impacted by food cost inflation. If the Committee chose to exempt the institutes from this common policy, staff's recommendation would be to appropriate \$55,243 General Fund to CMHIP.

Decision Item #17 - Inflationary Increase for Food Costs								
	2005	2006	2007	2008 Est	2009 Est	2010 Est	Request	Staff Rec.
CMHIP	\$1,401,490	\$1,424,329	\$1,740,830	\$2,007,725	\$2,178,382	\$2,362,544	\$185,162	\$55,243
Percent Increase	n/a	1.6%	22.2%	15.3%	8.5%	8.5%		
CMHIFL	\$361,860	\$370,827	\$338,709	\$358,926	\$389,435	\$422,537	\$33,102	\$0
Percent Increase	n/a	2.3%	(8.7%)	6.0%	8.5%	8.5%		
Total Request							\$218,264	\$55,243
Pursuant to Committee common policy, staff <u>does not</u> recommend an inflationary increase for food costs. Staff's recommendation is provided in the event that the Committee chooses to exempt the Institutes from the common policy.								



DEPARTMENT OF HUMAN SERVICES
Mental Health and Alcohol and Drug Abuse Division - Mental Health Sections
FY 2009-10 Figure Setting

JBC WORKING DOCUMENT - DECISIONS SUBJECT TO CHANGE
STAFF RECOMMENDATION DOES NOT REPRESENT COMMITTEE DECISION

Supplemental / Budget Amendment #5 - Mental Health Institutes Revenue Adjustment

Department Request: The Department's request has two components: 1) to implement one-time fund shifts to allow the Department to track future revenue adjustments changes by line items; and 2) to backfill revenue shortages with General Fund. The Department requests an additional \$3,200,323 General Fund for FY 2008-09, and an additional \$2,302,387 General Fund for FY 2009-10, to backfill for lower-than-anticipated patient revenue at the Mental Health Institutes. **These updated revenue projections are based upon the anticipated closure of the Therapeutic Residential Child Care Facility (TRCCF) as of July 1, 2009, and the closure of the General Hospital in Pueblo as of November 1, 2009. Staff's analysis of these decision items will include scenarios for if these facilities remain open.**

Background: The Institutes receive revenue from various sources to pay for patient care, including patient benefits (typically cash from disability benefits), Medicare, Medicaid, third-party insurers (i.e. Kaiser), counties, school districts, and other State Departments (e.g. Departments of Corrections and Education). The current Institute revenue are based on information prepared in January, 2008. These estimates are no longer current because the Department has new data based upon actual year-to-date revenue through December, 2008. The supplemental and budget amendment are submitted annually to backfill for less-than-anticipated revenue from any of these sources. **The request meets supplemental criteria based upon "new data resulting in substantial changes in funding needs."**

Staff Recommendation: Staff recommends this request because the primary driver of the difference in estimates is due to unforeseen circumstances. It is impossible to reliably predict the type of The Institutes. Additionally, it is staff's understanding that it is a normal part of the budget process for the Department submits revenue adjustments every year.

Staff Analysis

Fund split adjustments: The Mental Health Institute section of the Long Bill (comprised of the Institutes, the General Hospital, and Education Programs) is bottom-line funded. Revenue earned in these three areas has historically been recorded only in the Institute line

DEPARTMENT OF HUMAN SERVICES
Mental Health and Alcohol and Drug Abuse Division - Mental Health Sections
FY 2009-10 Figure Setting

JBC WORKING DOCUMENT - DECISIONS SUBJECT TO CHANGE
 STAFF RECOMMENDATION DOES NOT REPRESENT COMMITTEE DECISION

item. However, in an effort to analyze the revenue in more detail in the future, and reflect these adjustments in the correct Long Bill line item, the Department plans to record this information by each individual line item impacted. This requires a one-time adjustment to correct the request as submitted on November 1, 2008. The following table reflects the requested adjustments, *please note that these figures account for the requested closure of the TRCCF facility at Ft. Logan and the closure of the General Hospital in Pueblo.* Staff will provide information later in the document about the revenue impact if these facilities remain open.

Mental Health Institutes FY 2008-09 Revenue Adjustment: Fund Splits					
	FY 2008-09 Long Bill	Requested Fund Splits	Corrected Approp	FY 2008-09 Supp. Request	FY 2008-09 Approp
Total	\$94,767,339	\$0	\$94,767,339	\$0	\$94,767,339
General Fund	74,879,355	1,459,195	76,338,550	2,911,750	79,250,300
Cash Funds	10,477,550	(136,192)	10,341,358	(2,689,188)	7,652,170
Reappropriated Funds	9,410,434	(1,323,003)	8,087,431	(222,562)	7,864,869
Medicaid Cash Funds	3,704,738	0	3,704,738	0	3,704,738
Medicaid General Fund	1,852,369	0	1,852,369	0	1,852,369
Net General Fund	76,731,724	1,459,195	78,190,919	2,911,750	81,102,669

General Hospital FY 2008-09 Revenue Adjustment: Fund Splits					
	FY 2008-09 Long Bill	Requested Fund Splits	Corrected Approp	FY 2008-09 Supp. Request	FY 2008-09 Approp
Total	\$3,447,102	\$0	\$3,447,102	\$0	\$3,447,102
General Fund	3,271,782	(1,530,493)	1,741,289	232,931	1,974,220
Cash Funds	0	217,877	217,877	0	217,877
Reappropriated Funds	175,320	1,312,616	1,487,936	(232,931)	1,255,005

DEPARTMENT OF HUMAN SERVICES
Mental Health and Alcohol and Drug Abuse Division - Mental Health Sections
FY 2009-10 Figure Setting

JBC WORKING DOCUMENT - DECISIONS SUBJECT TO CHANGE
 STAFF RECOMMENDATION DOES NOT REPRESENT COMMITTEE DECISION

Educational Programs FY 2008-09 Revenue Adjustment: Fund Splits					
	FY 2008-09 Long Bill	Requested Fund Splits	Corrected Approp	FY 2008-09 Supp. Request	FY 2008-09 Approp
Total	\$713,371	\$0	\$713,371	\$0	\$713,371
General Fund	124,090	71,298	195,388	55,642	251,030
Cash Funds	264,040	(81,685)	182,355	(60,048)	122,307
Reappropriated Funds	325,241	10,387	335,628	4,406	340,034

Mental Health Institute Revenue Adjustment: This section describes the requested revenue adjustments for FY 2008-09 and FY 2009-10. The Institutes estimate how much patient revenue they will receive from various sources, and when the actual revenue is less than anticipated, the Department requests General Fund to backfill for the shortfall. The total amount of the appropriation remains the same, but **it is significant that in FY 2008-09, the Department requests an additional \$3,200,323 General Fund, and during FY 2009-10, the Department requests an additional \$2,302,387 General Fund,** to backfill for decreased revenue in other areas. The table below illustrates the fund adjustments for each line item, and it is followed by a more detailed explanation of each fund source.

DEPARTMENT OF HUMAN SERVICES
Mental Health and Alcohol and Drug Abuse Division - Mental Health Sections
FY 2009-10 Figure Setting

JBC WORKING DOCUMENT - DECISIONS SUBJECT TO CHANGE
 STAFF RECOMMENDATION DOES NOT REPRESENT COMMITTEE DECISION

FY 2008-09 Supplemental and FY 2009-10 Budget Amendment #5 Total Mental Health Institutes Revenue Adjustment				
FY 2008-09^{1/}	Total	General Fund	Cash Funds	Reapprop Funds
Mental Health Institutes	0	4,370,945	(2,825,380)	(1,545,565)
General Hospital	0	(1,297,562)	217,877	1,079,685
Education Programs	0	126,940	(141,733)	14,793
Total	\$0	\$3,200,323	(\$2,749,236)	(\$451,087)
FY 2009-10				
Mental health institutes	0	3,674,597	(2,176,252)	(1,498,345)
General hospital	0	(1,420,955)	217,877	1,203,078
Education programs	0	48,745	(81,685)	32,940
Total	\$0	\$2,302,387	(\$2,040,060)	(\$262,327)
1/ This table combines the requested supplemental FY 2008-09 fund splits and the FY 2008-09 revenue adjustment.				

Cash Funds - Pursuant to Sections 27-12-101 through 104, C.R.S., when a person is admitted to a public state institution supervised by the Department of Human Services, the person, his or her spouse, and his or her parents (in the case of a minor) shall be liable for the costs of care. The liability amount is determined by several factors, but primarily it is the patient's and his or her family's ability to pay. The State may also access all insurance and other benefits payable for the care, support, maintenance, and treatment of a patient. **The estimated decreases in cash fund revenue for FY 2008-09 (\$2,749,236) and for FY 2009-10 (\$2,040,060) are explained below:**

- An estimated \$1,470,534 decrease in patient fees, revenue from commercial insurance (e.g. Blue Cross, Kaiser, etc.), and payments from courts for both FY 2008-09 and FY 2009-10.

DEPARTMENT OF HUMAN SERVICES
Mental Health and Alcohol and Drug Abuse Division - Mental Health Sections
FY 2009-10 Figure Setting

JBC WORKING DOCUMENT - DECISIONS SUBJECT TO CHANGE
STAFF RECOMMENDATION DOES NOT REPRESENT COMMITTEE DECISION

- ❑ An estimated \$60,048 decrease in education revenue from school districts due to fewer billable school days for students treated in the Therapeutic Residential Child Care Facility (TRCCF) for FY 2008-09.
- ❑ An estimated \$43,731 decrease in revenue from County Departments of Social Services for room and board charges for children in the custody of the county and who are receiving treatment in the TRCCF at Ft. Logan.
- ❑ An estimated \$569,525 decrease in revenue received for both FY 2008-09 and FY 2009-10 based on reduced Medicare A payments made for specific diagnoses, and reduced Medicare B rates for ancillary services [i.e. lab, e-ray, physical therapy].
- ❑ An estimated \$605,398 decrease in FY 2008-09 revenue received as part of the Medicare Cost Report settlements [\$190,702 for FY 2006-07 and \$414,696 for FY 2007-08]. The adjustments for FY 2006-07 and FY 2007-08 are one-time adjustments that will not impact FY 2009-10 revenue.

Reappropriated Funds - This portion of the revenue estimate is primarily comprised of revenue from Medicaid reimbursements, as well as compensation for providing services to other Departments. The total estimated reappropriated fund decreases are \$451,087 for FY 2008-09 and \$262,327 decrease for FY 2009-10. These amounts are detailed below.

- ❑ An estimated \$250,505 decrease in Medicaid Fee for Service revenue from the Department of Health Care Policy and Financing (HCPF) for Division of Youth Correction (DYC) and Forensic clients treated in the psychiatric hospitals for both FY 2008-09 and FY 2009-10.
- ❑ An estimated \$151,478 increase in Medicaid capitation revenue received from the Behavioral Health Organizations (BHO's) for both FY 2008-09 and FY 2009-10.
- ❑ An estimated \$7,247 increase in Medicaid revenue for clients over age 65 receiving medical treatment in the General Hospital for FY 2008-09. The Department anticipates an increase of \$2,416 for the first four months in FY 2009-10 because it proposes to close the Hospital effective November 1, 2009.

DEPARTMENT OF HUMAN SERVICES
Mental Health and Alcohol and Drug Abuse Division - Mental Health Sections
FY 2009-10 Figure Setting

JBC WORKING DOCUMENT - DECISIONS SUBJECT TO CHANGE
STAFF RECOMMENDATION DOES NOT REPRESENT COMMITTEE DECISION

- ❑ An estimated \$17,071 increase in TRCCF Medicaid revenue from HCPF for ancillary medical services. The Department's adjustment is zero for FY 2009-10 because the TRCCF is proposed to be closed effective July 1, 2009.

Other Reappropriated Fund Revenue Sources:

- ❑ A \$22,553 increase in Per Pupil Operating Revenue from the Colorado Department of Education (CDE) for students in school on the inpatient child and adolescent units for FY 2008-09 and FY 2009-10.
- ❑ A \$18,147 decrease in Per Pupil Revenue from CDE for students in the TRCCF for FY 2008-09. The Department does not include this adjustment for FY 2009-10 because it proposes to close the TRCCF July 1, 2009.
- ❑ An estimated \$76,315 decrease in revenue from the Department of Corrections for providing meals to San Carlos, La Vista, and the Youth Offender System facilities for both FY 2008-09 and FY 2009-10.
- ❑ An estimated \$240,178 decrease in General Hospital revenue from the Department of Corrections (DOC) for *outpatient and same-day surgery* services to inmates due to decreased utilization in FY 2008-09. A similar decrease of \$111,954 is estimated for the first four months of FY 2009-10 as the General Hospital is proposed to be closed effective November 1, 2009.

Colorado Mental Health Institute at Ft. Logan

The Ft. Logan mental health institute has a total of 173 beds. They include 16 children's beds, 18 adolescent beds, 20 beds in its Therapeutic Residential Child Care Facility, 25 Geriatric beds, and 94 adult beds. **Staff recommends a total appropriation of \$27,881,447 and 338.8 FTE for the Ft. Logan Mental Health Institute**, comprised of \$21,422,039 General Fund, \$4,346,704 cash funds, and \$2,112,704 reappropriated funds. Staff's calculations are detailed in the following table.

DEPARTMENT OF HUMAN SERVICES
Mental Health and Alcohol and Drug Abuse Division - Mental Health Sections
FY 2009-10 Figure Setting

JBC WORKING DOCUMENT - DECISIONS SUBJECT TO CHANGE
 STAFF RECOMMENDATION DOES NOT REPRESENT COMMITTEE DECISION

Colorado Mental Health Institute - Ft. Logan					
	Total	General Fund	Cash Funds	Reapprop Funds	FTE
FY 2008-09 Long Bill	\$26,883,680	\$20,424,272	\$4,346,704	\$2,112,704	338.8
Performance-based pay awarded for FY 2008-09	240,539	240,539	0	0	0.0
Salary survey awarded for FY 2008-09	680,796	680,796	0	0	0.0
Institute revenue and fund split adjustment for FY 2008-09	0	1,236,978	(799,583)	(437,395)	0.0
Hiring freeze savings	(243,252)	(243,252)	0	0	0.0
Total FY 2008-09 approp	\$27,561,763	\$22,339,333	\$3,547,121	\$1,675,309	338.8
Annualize FY 2008-09 supps	243,252	243,252	0	0	0.0
Capital outlay	47,150	47,150	0	0	0.0
Annualize compression pay	28,490	28,490	0	0	0.0
NP-2 Postage increase and mail equipment upgrage	792	792	0	0	0.0
Revenue adjustment FY 2009-10	0	1,039,911	(615,879)	(424,032)	0.0
Total Recommendation FY 2009-10	\$27,881,447	\$22,659,017	\$3,547,121	\$1,675,309	338.8

BA #52 - Close 20-bed Therapeutic Residential Child Care Facility

Department Request: The Department requests to close the 20-bed Therapeutic Residential Child Care Facility (TRCCF) at Ft. Logan, named Mountain Star, effective July 1, 2009. According to the Department, adequate capacity exists at the other TRCCFs across the state to absorb the 16.1 average daily attendance (ADA) rate of youth served by the TRCCF at Ft. Logan. This action **would generate a net savings of \$416,982 General Fund and 29.6 FTE** within the Department: 1) \$220,970 General Fund in the Executive Director's Office for savings due to decreased personal services benefits; 2) \$29,913 General Fund and 0.9 FTE in the Office of Operations; and 3) \$166,049 General Fund and 28.7 FTE within the

DEPARTMENT OF HUMAN SERVICES
Mental Health and Alcohol and Drug Abuse Division - Mental Health Sections
FY 2009-10 Figure Setting

JBC WORKING DOCUMENT - DECISIONS SUBJECT TO CHANGE
 STAFF RECOMMENDATION DOES NOT REPRESENT COMMITTEE DECISION

Mental Health Institutes and Education line items.

The Division of Mental Health would also reflect a reduction of \$1,095,570 cash funds and \$631,187 reappropriated funds, but these reductions do not represent State-wide savings. The cash funds are comprised of payments from county Department of Social Services and local school districts, and the reappropriated funds represent transfers from other State entities (i.e. DYC), as well as Medicaid funds transferred from the Department of Health Care Policy and Financing. Since the youth would seek services at other TRCCF's, these funds would simply be reflected within a different Long Bill line item.

Staff Recommendation: Staff recommends the Department's request. The TRCCF does not directly fit with the Institutes' core mission, and staff's understanding is that there is adequate space in other facilities to serve these children.

Background: TRCCF referrals are typically adolescents who do not require an inpatient level of care (e.g. do not need seclusion and restraint due to behavioral problems or who are not at risk of harming themselves or others), but do need services such as significant behavioral modification, more structure in their day than a foster care home can provide, and may need medication adjustments. The TRCCF at Ft. Logan serves the highest-need children who are referred to these facilities.

Referrals to the TRCCF at Ft. Logan typically come from the child welfare system (i.e. county departments of social services) or Division of Youth Corrections (DYC). The average length of stay is between seven and eight months, which is longer than many other therapeutic facilities. Staff's understanding is that it is difficult to find community placements for these children, particularly those who are in the foster care system.

Ft. Logan TRCCF Adolescent Admissions for FY 2007-08, by Referral Agency		
Authority	Number	Percent
DSS - Department of Social Services	24	80.0
DYC - Division of Youth Corrections	6	20.0

DEPARTMENT OF HUMAN SERVICES
Mental Health and Alcohol and Drug Abuse Division - Mental Health Sections
FY 2009-10 Figure Setting

JBC WORKING DOCUMENT - DECISIONS SUBJECT TO CHANGE
STAFF RECOMMENDATION DOES NOT REPRESENT COMMITTEE DECISION

Staff Analysis: Staff's analysis focused on the following factors: 1) whether the youth could access care at another facility; 2) the impact on a youth's community connections; and 3) cost.

Quality of Care: The Department reports that other TRCCFS can meet the treatment and educational needs of the youth at Ft. Logan. Ft. Logan's TRCCF accepts and treats some of the highest-needs adolescents throughout the state, but the Department states that there are other TRCCF's that work with greater proportions of other high-needs youth. According to an organization that operates several TRCCFs, there is existing capacity to absorb these children.

Community Connections: Staff was concerned about uprooting youth and potentially placing them in facilities where they would lose contact with family and friends, as well as treatment providers.

- ❑ There are at least three TRCCF's within 15 miles of the one at Ft. Logan - they include: 1) Savio House (7 miles); 2) the Denver Children's Home (12 miles); and 3) Jefferson Hills (13 miles).
- ❑ According to the Department, Ft. Logan's TRCCF serves youth from across the State. Of the current TRCCF residents, 22.0 percent are from Denver County, 39.0 percent are from Adams, Aurora, and Jefferson Counties, and 39.0 percent are from Arapahoe, Weld, and Broomfield counties. In the past year, the Ft. Logan TRCCF has served youth from Logan, Larimer, Montezuma, El Paso, and Mesa Counties.

Cost: Approximately 10.0 percent the costs at Ft. Logan's TRCCF are for treatment, the remaining 90.0 percent are related to room and board. In addition to caring for the youth, the facility's operating expenses include indirect costs associated with the Institutes as a whole. These include central records management, nursing administration, and other expenses associated with maintaining two large facilities. Independent TRCCFs do not have such significant overhead and may be able to provide care more efficiently.

DEPARTMENT OF HUMAN SERVICES
Mental Health and Alcohol and Drug Abuse Division - Mental Health Sections
FY 2009-10 Figure Setting

JBC WORKING DOCUMENT - DECISIONS SUBJECT TO CHANGE
STAFF RECOMMENDATION DOES NOT REPRESENT COMMITTEE DECISION

Colorado Mental Health Institute - Pueblo

The Colorado Mental Health Institute - Pueblo (CMHIP) line item includes the adult and adolescent civil beds, the Circle program, the General Hospital, and the High Security Forensics Institute. The General Hospital's appropriation is listed in a separate line item. **Staff recommends a total appropriation of \$71,054,169 and 937.6 FTE for the Colorado Mental Health Institute at Pueblo (CMHIP).** The amount is comprised of \$59,084,092 General Fund, \$5,994,654 cash funds, \$5,975,423 reappropriated funds, and 937.6 FTE. Staff's calculations are detailed in the table below.

Colorado Mental Health Institute - Pueblo					
	Total Funds	General Fund	Cash Funds	Reappropriation Funds	FTE
FY 2008-09 Long Bill	\$67,884,355	\$55,914,278	\$5,994,654	\$5,975,423	920.0
Performance-based pay awarded for FY 2008-09 (80.0 percent)	594,457	594,457	0	0	0.0
Salary survey awarded for FY 2008- 09	1,637,467	1,637,467	0	0	0.0
FY 2008-09 supplemental	(45,895)	(45,895)	0	0	0.0
Institute revenue and fund split adjustment for FY 2008-09	0	3,133,967	(2,025,797)	(1,108,170)	0.0
Base FY 2009-10 Approp	\$70,070,384	\$58,100,307	\$5,994,654	\$5,975,423	920.0
Annualize opening Forensic Institute	901,333	901,333		0	17.6
Annualize compression pay	61,182	61,182	0	0	0.0
Capital outlay (DI#5)	19,000	19,000	0	0	0.0
Postage increase (NP-2)	2,270	2,270	0	0	0.0
FY 2009-10 revenue adjustment	0	2,634,686	(1,560,373)	(1,074,313)	0.0
Close General Hospital (DI#31)	(648,107)	(648,107)	0	0	(10.2)
Total Recommendation FY 2009-10	\$70,406,062	\$61,070,671	\$4,434,281	\$4,901,110	927.4

DEPARTMENT OF HUMAN SERVICES
Mental Health and Alcohol and Drug Abuse Division - Mental Health Sections
FY 2009-10 Figure Setting

JBC WORKING DOCUMENT - DECISIONS SUBJECT TO CHANGE
STAFF RECOMMENDATION DOES NOT REPRESENT COMMITTEE DECISION

General Hospital

This line item funds the personal services and operating expenses at the Colorado Mental Health Institute in Pueblo's General Hospital. The General Hospital is a 20-bed unit that provides both inpatient and outpatient services to CMHIP as well as the Department of Corrections inmates on the CMHIP campus. The Department submitted several issues that could impact this line item's closure. One is for \$603,474 General Fund because the Department of Corrections will use the Hospital less than anticipated, and the second is to close the *inpatient* portion of the Hospital effective November 1, 2009. The outpatient section of the hospital will remain open.

NP-DOC-1: Backfill Loss of Revenue from DOC with General Fund in FY 2008-09 and FY 2009-10

Department Request: The Department requests \$603,474 General Fund to offset the Department of Corrections (DOC) decreased utilization of the General Hospital. As a result of the decreased utilization, the Hospital's revenue will decrease by \$603,474 reappropriated funds, and the General Fund is requested to backfill this decreased revenue. The request annualizes to \$116,607 General Fund for FY 2009-10, and accounts for the requested closing of the General Hospital (DI #31). If the General Hospital closes, staff's recommendation would be to offset the decreased revenue with an additional \$100,282 General Fund. This amount also accounts for the decreased variable cost.

The updated projections apply to the current fiscal year (FY 2008-09) and the upcoming fiscal year (FY 2009-10). **Therefore, if the General Hospital remains open for the full fiscal year FY 2009-10, it will require an additional \$603,074 General Fund.**

Staff Recommendation: Staff recommends reducing the General Hospital's FY 2008-09 appropriation by \$603,074 reappropriated funds, and increasing the appropriation by \$518,988 General Fund to offset the decreased revenue from DOC. The General Fund amount is less than the Department's request because staff accounted for variable treatment costs. The amount annualizes to a reduction of \$116,047 reappropriated funds for FY 2009-10, and an additional \$100,282 General Fund to offset the decreased revenue.

DEPARTMENT OF HUMAN SERVICES
Mental Health and Alcohol and Drug Abuse Division - Mental Health Sections
FY 2009-10 Figure Setting

JBC WORKING DOCUMENT - DECISIONS SUBJECT TO CHANGE
STAFF RECOMMENDATION DOES NOT REPRESENT COMMITTEE DECISION

Staff Analysis:

- ❑ The Hospital's revenue from the Department of Corrections includes funds to cover both the treatment and operating expenses. Staff understands that the Hospital has certain costs such as personal services, utilities, and other expenditures that are fixed regardless of the number of patients. However, certain variable costs are incurred when treating patients such as medical supplies (x-ray film, IV's, etc.), medications, housekeeping, dietary, etc. which are driven by the number of patients at the Hospital. These expenditures are primarily the result of treating actual patients.
- ❑ DOC has announced that during FY 2008-09 and FY 2009-10, the Hospital will treat fewer inmates than anticipated, and decreased utilization translates to decreased variable costs.
- ❑ Staff asked the Department for an estimated percentage of what portion of the Hospital's expenditures was related to these variable costs. The Department gave examples of fixed costs, but it did not provide the percentage. **Staff reviewed the Hospital's annual cost and revenue reports, isolated the inpatient DOC expenditures, and identified those costs that were most likely associated with treatment services. Staff concludes that at least 14.0 percent of the forecasted revenue from DOC was for treatment services with variable costs.**

Budget Amendment #31 - Closure of General Hospital at CMHIP

Department Request: The Department requests to close the 20-bed General Hospital at the Colorado Mental Health Institute at Pueblo (CMHIP), effective November 1, 2009. The Hospital is currently utilized by CMHIP patients, inmates from the Department of Corrections (DOC), and youth in the care of the Division of Youth Corrections (DYC). The closure would *only impact the inpatient medical-surgical services unit, and the outpatient services and clinics would continue to be available for both CMHIP patients and DOC inmates.* The Department anticipates that the closure will generate \$2,089,768 net General Fund and 35.7 FTE in savings for FY 2009-10, which annualizes to savings of \$3,134,652 net General Fund and 53.7 FTE for FY 2010-11.

Staff Recommendation: Staff recommends the Department's request to close the

DEPARTMENT OF HUMAN SERVICES
Mental Health and Alcohol and Drug Abuse Division - Mental Health Sections
FY 2009-10 Figure Setting

JBC WORKING DOCUMENT - DECISIONS SUBJECT TO CHANGE
 STAFF RECOMMENDATION DOES NOT REPRESENT COMMITTEE DECISION

Colorado Mental Health Institute at Pueblo's General Hospital. Staff's analysis will address the following issues: 1) Whether CMHIP has the demand to justify a 20-bed surgical unit; 2) the ability of patients and inmates to access quality medical care; 3) the impact on the Department of Corrections; and 4) costs associated with closing the Hospital.

Staff Analysis

Demand: The table below illustrates that with the exception of FY 2003-04, the General Hospital *has not exceeded an average daily census of 50.0 percent*, which translates to approximately half of the beds being empty. The primary costs of medical care are associated with personal services, and these salaries must be paid regardless of the unit's occupancy.

General Hospital Average Daily Occupancy							
	FY 2001-02	FY 2002-03	FY 2003-04	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08
Bed Capacity	20	20	20	20	20	20	20
Census	8.7	8.2	12.9	8.6	7.7	9.2	10.1
% Occupancy	43.5	41.0	64.5	43.0	38.5	46.0	50.5

- ❑ **It is questionable as to whether CMHIP needs, or requires, a 20-bed surgical unit. Staff's understanding is that CMHIP is the only psychiatric hospital in the country with a surgical unit.** The Hospital was established approximately 80 years ago, during an era when psychiatric hospitalizations would last years, and possibly an individual's entire life. Currently, the Institutes are used primarily for short-term stabilization, and many patients are hospitalized for less than a week. Patients can access many elective and ambulatory procedures after they are discharged from CMHIP.
- ❑ Even with the recent addition of the 20-bed unit that opened for new forensic patients, as well as the additional 12 beds to be added when the new high security forensics institute opens, **CMHIP has almost 28.0 percent fewer beds than in 1996.** CMHIP does not have the population to justify the costs of operating a surgical unit.

DEPARTMENT OF HUMAN SERVICES
Mental Health and Alcohol and Drug Abuse Division - Mental Health Sections
FY 2009-10 Figure Setting

JBC WORKING DOCUMENT - DECISIONS SUBJECT TO CHANGE
STAFF RECOMMENDATION DOES NOT REPRESENT COMMITTEE DECISION

Impact on Medical Care:

- ❑ The Hospital closure impacts *only* the 20-bed acute medical unit. The clinics (i.e. podiatry and neurology), as well as outpatient services, will continue to be offered for both CMHIP patients and DOC inmates through the medical clinic.

- ❑ **CMHIP and DOC currently use community hospitals for care not provided by the General Hospital and for emergency services.** There is no reason to believe that area hospitals wouldn't continue to care for CMHIP patients and DOC clients.

- ❑ CMHIP and DOC are legally obligated to provide the same level of care as patients or inmates can access in the community. Due to its aging infrastructure, the Hospital is not able to offer care for high-acuity patients, nor offer many of the diagnostic tests that have become commonplace in the past ten years. DOC routinely admits offenders to community hospitals (Parkview or St. Mary Corwin) when the acuity level is too high for CMHIP to handle. It also uses these hospitals for radiology services (i.e. CT's, MRI's, mammograms, etc.). **It is well-established that both CMHIP and DOC currently access quality medical care within the community.**

Impact on Department of Corrections:

- ❑ DOC was initially budgeted \$1.5 million to purchase services from the Hospital during FY 2008-09, which **represents 2.2 percent of the Department of Corrections medical budget.** More importantly, **DOC submitted a late supplemental request that lowered this amount to approximately \$900,000, because it has not used the Hospital as much as anticipated.**

- ❑ According to DOC, it is currently using the Hospital as much as possible, but this usage rarely exceeds three beds per day. Additionally, the hospital is not able to perform many of the procedures required for its aging population such as cardiac surgeries, cancer treatments, dialysis, etc.

- ❑ According to DOC, the General Hospital's closure will not have a significant impact on its ability to provide medical care to inmates. **DOC is not concerned about the closure of the General Hospital.**

DEPARTMENT OF HUMAN SERVICES
Mental Health and Alcohol and Drug Abuse Division - Mental Health Sections
FY 2009-10 Figure Setting

JBC WORKING DOCUMENT - DECISIONS SUBJECT TO CHANGE
 STAFF RECOMMENDATION DOES NOT REPRESENT COMMITTEE DECISION

Costs:

- ❑ In recent years, personal services, operating, and capital needs have increased while utilization and average daily census have declined. **Maintaining the General Hospital is not an efficient use of limited State resources.**
- ❑ DOC contracts with a third party administrator, Physician Health Partners (PHP), which has contracted rates for physicals, hospitals, utilization management, and claims processing. The Department already contracts with PHP to provide outside medical services to patients at Ft. Logan, and it can extend this contract to CMHIP.
- ❑ The rate for Parkview and St. Mary Corwin provide more acute services than CMHIP, which is why the rate is higher. med-surgical is 1,400 at Parkview and \$1,442 for St. Mary Corwin. It's \$900 per day at CMHIP. However, one would expect the rate at other hospitals to be higher because they treat patients with greater acuity, provide emergency care, and more specialized services.
- ❑ The table below estimates CMHIP's medical costs with the closure of the General Hospital. **Even considering these additional costs, the Department will still save at least \$3.1 million per year with the Hospital closure.**

Estimated CMHIP Medical Costs with Closure of General Hospital		
Expense	Cost	FTE
CMHIP personal services costs to monitor patients	\$316,172	7.5
Outside hospital charges	306,898	
Contract for managed care services	200,000	
Outside medical costs	181,951	
Outside hospital costs for same-day surgeries	157,030	
Outside provider charges	42,443	
ECT costs (at Ft. Logan)	24,515	
Personal services costs to transports patients	9,552	0.1
Total	\$1,238,561	7.6

DEPARTMENT OF HUMAN SERVICES
Mental Health and Alcohol and Drug Abuse Division - Mental Health Sections
FY 2009-10 Figure Setting

JBC WORKING DOCUMENT - DECISIONS SUBJECT TO CHANGE
STAFF RECOMMENDATION DOES NOT REPRESENT COMMITTEE DECISION

Mental Health Institute General Hospital - Personal Services and Operating					
	Total	General Fund	Cash Funds	Reapprop Funds	FTE
FY 2008-09 Long Bill	\$3,447,102	\$3,271,782	\$0	\$175,320	36.0
Salary survey awarded FY 2008-09	72,263	72,263	0	0	0.0
Performance-based pay awarded FY 2008-09	26,099	26,099	0	0	0.0
Supp #NP-1-DOC, reduce Hospital utilization	(84,086)	518,988	0	(603,074)	0.0
Supp #5, Revenue adjustment	0	(1,297,562)	217,877	1,079,685	0.0
FY 2009-10 Base Request	\$3,461,378	\$3,889,132	\$0	(\$427,754)	36.0
Annualize of HSFI	(29,501)	(29,501)	0	0	0.0
BA#5 Revenue adjustment	0	(123,393)	0	123,393	0.0
Annualize Supp#NP-1-DOC, reduce utilization	67,761	(418,706)	0	486,467	0.0
Close General Hospital	(2,343,975)	(1,206,767)	(145,251)	(991,957)	(24.0)
Total FY 2009-10 Recommendation	\$1,155,663	\$2,110,765	(\$145,251)	(\$809,851)	12.0

Educational Programs

Local school districts and the Department of Education provide funds for educational services at the institutes. The fund source is primarily from per pupil operating revenue and special education funds transferred from the school districts. **Staff recommends a total appropriation of \$456,947 and 11.5 FTE.** This amount is comprised of \$350,102 General Fund and \$248,578 reappropriated funds. Staff's recommendation also reflects a negative balance of \$141,733 cash funds for accounting purposes. Since the Institutes section is bottom-line funded, the revenue adjustments impact the section as a whole and are not limited to the specific line item. Staff's recommendation is based upon the requested closure of Therapeutic Residential Child Care Facility (TRCCF).

DEPARTMENT OF HUMAN SERVICES
Mental Health and Alcohol and Drug Abuse Division - Alcohol and Drug Abuse Services
FY 2009-10 Figure Setting

JBC WORKING DOCUMENT - DECISIONS SUBJECT TO CHANGE
 STAFF RECOMMENDATION DOES NOT REPRESENT COMMITTEE DECISION

Educational Programs					
	Total Funds	General Fund	Cash Funds	Reapprop Funds	FTE
FY 2008-09 Long Bill	\$713,371	\$124,090	\$264,040	\$325,241	15.0
Salary survey awarded in FY 08-09	17,316	17,316	0	0	0.0
80.0 percent performance-based pay awarded in FY 2008-09	5,187	5,187	0	0	0.0
Institute fund split and revenue adjustment, FY 2008-09	0	126,940	(141,733)	14,793	0.0
FY 2009-10 Base Request	\$735,874	\$273,533	\$122,307	\$340,034	15.0
Institute revenue adjustment, FY 2009-10	0	48,745	(81,685)	32,940	0.0
Close TRCCF ^{1/}	(278,927)	27,824	(182,355)	(124,396)	(3.5)
FY 2009-10 Recommendation	\$456,947	\$350,102	(\$141,733)	\$248,578	11.5
Please note: The full savings for the TRCCF closure is \$416,982 net General Fund. Savings are distributed throughout the Department, with a significant amount in the Executive Director's Office.					

(8) Mental Health and Alcohol and Drug Abuse Services
(D) Alcohol and Drug Abuse Division

This section contains appropriations for alcohol and drug abuse prevention, intervention, and treatment services. The Division also funds and oversees involuntary commitments into detoxification facilities and substance abuse treatment programs and is responsible for licensing alcohol and drug treatment providers. Cash funds sources include the Drug Offender Surcharge Fund, the Law Enforcement Assistance Fund, and the Persistent Drunk Driver Cash Fund. The majority of federal funds are from the federal Substance Abuse Prevention and Treatment Block Grant.

DEPARTMENT OF HUMAN SERVICES
Mental Health and Alcohol and Drug Abuse Division - Alcohol and Drug Abuse Services
FY 2009-10 Figure Setting

JBC WORKING DOCUMENT - DECISIONS SUBJECT TO CHANGE
 STAFF RECOMMENDATION DOES NOT REPRESENT COMMITTEE DECISION

(D) Alcohol and Drug Abuse Division
(1) Administration

Personal Services

The ADAD staff manage the federal block grants and contract with the four managed service organizations that subcontract with treatment providers at sites throughout Colorado. They also:

- Oversee and provide technical assistance to 98 prevention program contracts;
- Monitor the providers and collect data on the program for state and federal reporting requirements;
- License and monitor treatment providers; and
- Manage the involuntary commitment process for persons incapacitated due to the abuse of drugs or alcohol.

Staff recommends a total appropriation of \$2,249,946 and 30.1 FTE. The details of the calculations are the following table.

Alcohol and Drug Abuse Division, Administration: Personal Services						
	Total Funds	General Fund	Cash Funds	Reapprop Funds	Federal Funds	FTE
FY 2008-09 Long Bill	\$2,119,511	\$176,345	\$38,505	\$502,261	\$1,402,400	30.0
H.B. 08-1314	13,857	0	0	13,857	0	0.1
Salary survey awarded for FY 2008-09	88,561	88,561	0	0	0	0.0
80.0 percent performance-based pay awarded in FY 2008-09	25,582	25,582	0	0	0	0.0
FY 2009-10 Base Request	\$2,247,511	\$290,488	\$38,505	\$516,118	\$1,402,400	30.1
Annualize H.B. 08-1314 (BA#17)	(7,500)	0	0	(7,500)	0	0.0
Persistent Drunk Driver Spending Authority (DI#24)	9,915	0	9,915	0	0	0.0
Total FY 2009-10 Recommendation	\$2,249,926	\$290,488	\$48,420	\$508,618	\$1,402,400	30.1

DEPARTMENT OF HUMAN SERVICES
Mental Health and Alcohol and Drug Abuse Division - Alcohol and Drug Abuse Services
FY 2009-10 Figure Setting

JBC WORKING DOCUMENT - DECISIONS SUBJECT TO CHANGE
STAFF RECOMMENDATION DOES NOT REPRESENT COMMITTEE DECISION

Budget Amendment #17 - Annualize H.B. 1314

Department Request: House Bill 1314 appropriated \$7,500 cash funds, from the Gambling Addiction Account, to hire a consultant familiar with gambling addiction treatment to develop rules and grant criteria for awarding grants to individuals interested in becoming gambling addiction treatment providers. The Department's November 1, 2008 budget submission did not annualize these funds, and the Department submitted budget amendment #17 to correct its error.

Staff Recommendation and Analysis: Staff recommends the Department's request to annualize H.B. 1314 and to reduce the Administration line item by \$7,500 cash funds, which will correct an error in its November, 2008 budget submission. Staff also recommends reducing the Legal Services line item appropriation in the Executive Director's office by \$2,866. This amount was a one-year appropriation through H.B. 1314 for legal services to provide rule review and oversight of the program.

Decision Item #24 - Additional Funds for Persistent Drunk Driver Programs

Department Request: The Department requests an additional \$71,801 in cash fund spending authority from the Persistent Drunk Driver (PDD) Cash Fund and 0.10 FTE for FY 2009-10, which annualizes to \$70,237 cash funds for FY 2010-11. This request includes \$10,010 for DUI offender data collection, evaluation and reporting; \$52,500 for education and prevention strategies in Bent, Cheyenne, and Custer counties; and \$9,291 to provide training to counselors that will enhance the effectiveness of treatments that use an ignition interlock device.

Staff Recommendation: Staff recommends the request for an additional \$71,706 cash funds for FY 2009-10. Staff's recommendation does not include the 0.10 FTE or \$95 for operating expenses, because staff assumes that the Department can absorb these costs within its existing appropriation. The source of funds is the Persistent Drunk Driver Cash Fund.

DEPARTMENT OF HUMAN SERVICES
Mental Health and Alcohol and Drug Abuse Division - Alcohol and Drug Abuse Services
FY 2009-10 Figure Setting

JBC WORKING DOCUMENT - DECISIONS SUBJECT TO CHANGE
 STAFF RECOMMENDATION DOES NOT REPRESENT COMMITTEE DECISION

Staff Analysis: Persistent drunk drivers are those with a blood alcohol content of 0.17 or above, those with a prior alcohol or drug-related driving offense, or those arrested for an alcohol or drug driving offense while driving under revocation [see Section 42-1-102 (68.5), C.R.S.]. These types of drivers comprise approximately half of all DUI offenders in Colorado.

- ❑ Pursuant to Section 42-4-1301 (7) (d) (II), C.R.S., persons convicted of DUI, DUI per se, DWAI, and habitual users are subject to an additional penalty surcharge of not less than \$50 and not more than \$500 for programs to address persistent drunk drivers. The minimum penalty is mandatory, and the court does not have the discretion to suspend or waive the surcharge unless the defendant is indigent.
- ❑ According to Section 42-3-303 (1) (a) through 42-3-303 (1) (d), C.R.S., moneys in the PDD Cash Fund may be used to 1) pay for the cost of mailing a notice to a vehicle's owner in instances when the driver of a vehicle involved in an alcohol-related driving violation is not the owner; 2) to pay for costs incurred by the Department for computer programming changes related to treatment compliance for persistent drunk drivers; 3) to support programs that are intended to deter persistent drunk driving or intended to educate the public; and 4) to pay a portion of the costs for intervention or treatment services required for persistent drunk driver who are unable to pay for the services themselves. **This request meets these criteria.**

Request to Increase Persistent Drunk Driver Programs Spending Authority		
Purpose	FY 2009-10	FY 2010-11
Fund 0.10 FTE to collect and evaluate data and develop an annual report on the effectiveness of education and treatment in reducing recidivism amongst DUI offenders.	\$9,915	\$9,915
Increase funding for education and prevention strategies in Bent, Cheyenne, and Custer counties.	52,500	52,500
Increase funds for DUI curriculum training, including a one-day focused training and four two-day regional training sessions annually. Part of the training will focus on the use of ignition interlock devices.	9,291	7,727
Total	\$71,706	\$70,142

Operating Expenses

DEPARTMENT OF HUMAN SERVICES
Mental Health and Alcohol and Drug Abuse Division - Alcohol and Drug Abuse Services
FY 2009-10 Figure Setting

JBC WORKING DOCUMENT - DECISIONS SUBJECT TO CHANGE
STAFF RECOMMENDATION DOES NOT REPRESENT COMMITTEE DECISION

The Department requests, and staff recommends, an appropriation of \$191,902, which includes \$20,796 cash funds, \$4,992 reappropriated funds, and \$166,114 federal funds. This amount is a continuation level of funds and an increase of \$1,385 federal funds for postage rate increase.

Other Federal Grants

This line item includes the portion of various federal grants that may be used for personal services and administrative expenses. **The Department requests, and staff recommends, an appropriation of \$457,383 federal funds.** This amount is a continuation level of funds.

Indirect Cost Assessment

The Department requests, and staff recommends, an appropriation of \$243,723 (\$3,280 cash funds and \$240,443 federal funds). The cash funds indirect recoveries are from the Law Enforcement Assistance Fund program and the federal indirect cost recoveries are from the federal Substance Abuse Block Grant. These amounts are used to offset General Fund expenditures in the Department of Human Services' Executive Director's Office.

(2) COMMUNITY PROGRAMS

Community Provider Rates: Community providers received a 1.5 percent inflationary cost of living increase for FY 2008-09. The Department's proposed budget balancing package included budget amendment #51, to reduce these rates to the FY 2007-08 amounts. The Department's request states that this reduction will generate \$241,376 of savings (\$210,971 General Fund and \$30,405 reappropriated funds). However, the FY 2008-09 supplementals included technical adjustments which impacted the amount of provider rates in the division. **Staff's updated calculations are that returning the provider rates to their FY 2007-08 amounts would generate \$230,784 in savings** (\$200,379 General Fund and \$30,405 reappropriated funds). Pursuant to Committee common policy, staff's recommendations do not include the provider rate reductions.

DEPARTMENT OF HUMAN SERVICES
Mental Health and Alcohol and Drug Abuse Division - Alcohol and Drug Abuse Services
FY 2009-10 Figure Setting

JBC WORKING DOCUMENT - DECISIONS SUBJECT TO CHANGE
STAFF RECOMMENDATION DOES NOT REPRESENT COMMITTEE DECISION

(a) Treatment Services

Decision Item #15 - Drug Offender Surcharge Fund Spending Authority

Department Request: The Department requests an additional \$250,000 cash funds appropriation from the Drug Offender Surcharge Fund (DOSF) to expand outpatient continuing care treatment services for drug offenders.

Staff Recommendation: Staff recommends the request to increase the spending authority from the Drug Offender Surcharge Fund by \$250,000 cash funds for FY 2009-10.

Background: Pursuant to Section 18-19-103 (3) (d), C.R.S., the Drug Offender Surcharge Fund receives 90.0 percent of the surcharge assessed to drug offenders who are either convicted or receive a deferred sentence. The surcharges range from \$100 to \$4,500, and their purpose is to offset the financial burden on state and local governments from the use of controlled substances. Moneys in the fund are subject to annual appropriation to the Judicial Department, the Department of Corrections, the Department of Public Safety's Division of Criminal Justice, and the Department of Human Services for costs associated with substance abuse assessment, testing, education, and treatment. Pursuant to Section 16-11.5-102 (3), C.R.S., these four departments are required to cooperate and develop a plan for the allocation of moneys deposited in the fund.

Analysis:

- Outpatient continuing care services are traditionally under-funded. Clients are frequently assessed an upfront admission fee by the provider to cover unmet cost. These fees can impede admission for services and potentially derail an offender's treatment. The demand for treatment far exceeds the State's capacity, and there are wait lists for these services.
- Improved access to outpatient treatment increases the likelihood that an offender will continue the treatment regimen that he or she began while incarcerated, which reduces the likelihood that the individual will recidivate.

DEPARTMENT OF HUMAN SERVICES
Mental Health and Alcohol and Drug Abuse Division - Alcohol and Drug Abuse Services
FY 2009-10 Figure Setting

JBC WORKING DOCUMENT - DECISIONS SUBJECT TO CHANGE
STAFF RECOMMENDATION DOES NOT REPRESENT COMMITTEE DECISION

- ❑ The Department reports that 76.0 percent of offenders complete 30 days of treatment and 46.3 percent complete 90 days or more of treatment. **The 90-day completion rate exceeds the non-offender treatment population, which is notable for a population that does not typically comply with treatment.**

Budget Amendment #17 - Department Technical

Department Request: The Department requests to reduce this line item by \$310,661 General Fund to remove funds for the Provider Performance Monitoring System (PPMS). This was a three-year project that is supposed to end June 30, 2009. According to the Department, these funds were included in the FY 2009-10 budget request due to a technical error.

Staff Recommendation and Analysis: **Staff recommends this request.** The PPMS system was intended to be a three-year project, and it was a technical error to include it in the FY 2009-10 request. Staff is aware of the merits of the PPMS system, but **given the State's current economic situation, it is more important to focus on maintaining core services versus extending optional contracts.**

Treatment and Detoxification Contracts

This line item incorporates funding for residential and outpatient treatment services and detoxification services, and the Department estimates that during FY 2008-09, it will provide treatment services to 27,495 individuals and detoxification services to 14,202 individuals. The Department requests a total of \$22,463,529 for this line item, comprised of \$10,871,358 General Fund, \$968,518 cash funds, \$275,706 reappropriated funds, and \$10,347,947 federal funds. **Staff recommends \$22,560,539 for the Treatment and Detoxification line item**, which is comprised of \$10,718,368 General Fund, \$1,218,518 cash funds, \$275,706 reappropriated funds, and \$10,347,947 federal funds. This recommendation includes decision item #15 and budget amendment #17. Cash fund sources include the Drug Offender Surcharge Fund, the Persistent Drunk Driver Cash Fund, and the Adolescent Substance Abuse Prevention and Treatment Fund. The reappropriated funds are transferred from the Department of Public Safety.

Case Management - Chronic Detox Clients

This line item funds intensive outpatient case management services for people who don't respond to

DEPARTMENT OF HUMAN SERVICES
Mental Health and Alcohol and Drug Abuse Division - Alcohol and Drug Abuse Services
FY 2009-10 Figure Setting

JBC WORKING DOCUMENT - DECISIONS SUBJECT TO CHANGE
STAFF RECOMMENDATION DOES NOT REPRESENT COMMITTEE DECISION

conventional residential and outpatient treatment methods, and the Department estimates that it will serve 762 clients during FY 2008-09. The goal of the program, also referred to as "Project Proud" (Project to Reduce Over-Utilization of Detoxification) is intensive case management to reduce the chronic use of detox facilities by providing assistance in obtaining multiple services needed such as housing, health care, mental health services, and employment or vocational support. The Department's request includes reducing this line item by \$37 to remove the 1.5 percent inflationary increase awarded for FY 2008-09. Pursuant to Committee common policy, staff's recommendation does not include this provide rate reduction. **Staff recommends a continuation level of funding, \$369,361**, which is comprised of \$2,478 General Fund and \$366,883 federal funds.

Short-Term Intensive Residential Remediation Treatment (STIRRT)

The STIRRT program is designed specifically for adult offenders who are substance abusers and have not achieved success through other community treatment. The program includes two weeks of intensive inpatient treatment that may then be followed by an outpatient component. The Department estimates that during FY 2008-09, it will provide residential services to 1,664 clients and continuing care to 920 clients.

The Department's November 1, 2008 request for FY 2009-10 is \$3,750,570, comprised of \$3,367,254 General Fund and \$383,316 cash funds. The Department later submitted a budget amendment to reduce the 1.5 percent community provider rate that was added for FY 2008-09, which results in a savings of \$39,867 General Fund. Pursuant to Committee common policy, staff's recommendation does not include this request. **Staff recommends appropriating \$3,401,037 for FY 2009-10, which is comprised of \$3,017,721 General Fund and \$383,316 cash funds.** This recommendation includes budget amendment #45, which is listed below.

Budget Amendment #45 - Reduce STIRRT Continuing Care Funds

D

Department Request: The Department requests to reduce the appropriation for STIRRT outpatient continuing care services by \$300,000 General Fund. The Department requested \$701,740 General Fund for continuing care services for the STIRRT program in FY 2007-08 as part of the Governor's Recidivism Reduction package. STIRRT targets offenders with substance use disorders or co-occurring (substance use and mental health) disorders. The program reverted \$509,312 for FY 2007-08 because of underutilization of these services. The Department estimates that an additional \$341,576 General Fund will be revert at the end of FY 2008-09.

DEPARTMENT OF HUMAN SERVICES
Mental Health and Alcohol and Drug Abuse Division - Alcohol and Drug Abuse Services
FY 2009-10 Figure Setting

JBC WORKING DOCUMENT - DECISIONS SUBJECT TO CHANGE
STAFF RECOMMENDATION DOES NOT REPRESENT COMMITTEE DECISION

Staff Recommendation: Staff recommends **reducing the appropriation for STIRRT continuing care services by \$340,000 for both FY 2008-09 and FY 2009-10.** During a typical budget year, staff would recommend to transfer these funds to the Treatment and Detoxification line item, which has programs with wait lists for similar services. However, due to the current economic conditions, staff recommends that the Committee reduce the General Fund spending authority.

Staff Analysis: The Department's budget amendment states that it anticipates the program will revert \$341,576 for FY 2008-09, but it did not submit this anticipated reversion as part of its FY 2008-09 budget-balancing package. In light of the current budget shortfall, it is in the State's interests to capture these savings instead of cutting services that are being utilized.

- ❑ Staff's recommendation is greater than the Department's request because there is no indication that these funds will be utilized. This program has had over two years to become established, and given its small target population, it is unlikely that utilization will grow past its current rate.

High Risk Pregnant Women

Pursuant to Section 25.5-5-202 (1) (r), C.R.S., and Sections 25-1-212 through 213, C.R.S, the High-Risk Pregnant Women treatment program supports specialized inpatient and outpatient services for Medicaid-eligible pregnant women who are at risk of a poor birth outcome due to substance abuse. The goals of the program are to reduce or stop maternal substance abuse during and after the pregnancy, to promote a safe environment, and to maintain the family unit. Services include assessment, individual and group counseling, case management, health education, and monitoring a participant's sobriety. The program is financed with Medicaid funds transferred from the Department of Health Care Policy and Financing.

DEPARTMENT OF HUMAN SERVICES
Mental Health and Alcohol and Drug Abuse Division - Alcohol and Drug Abuse Services
FY 2009-10 Figure Setting

JBC WORKING DOCUMENT - DECISIONS SUBJECT TO CHANGE
STAFF RECOMMENDATION DOES NOT REPRESENT COMMITTEE DECISION

Supplemental #8, Decision Item #14

Department Request: The Department requests an additional \$597,350 reappropriated funds for FY 2008-09, and an additional \$1,026,047 reappropriated funds for FY 2009-10, based on the current year's expenditure pattern for women enrolled in the High Risk Pregnant Women (HRPW) program. The HRPW program is an entitlement program funded by Medicaid to provide services for pregnant women in need of substance use disorder treatment. Several factors have driven increased expenditures in recent years, primarily due to the expansion of treatment sites and the extension of post-partum benefits from two to 12 months.

Staff Recommendation: Staff recommends the request for an additional \$597,350 reappropriated funds for FY 2008-09, and an additional \$1,026,047 reappropriated funds for FY 2009-10. The new FY 2008-09 appropriation would be \$1,611,048, and the annualized FY 2009-10 appropriation would be \$2,039,945.

Background: Pursuant to Section 25-1-212, C.R.S., the High Risk Pregnant Women (HRPW) program serves pregnant women who are at risk of poor birth outcomes due to substance abuse. The purpose is to improve the outcomes for pregnant women with addiction problems. The High Risk Pregnant Women (HRPW) program **is a Medicaid entitlement and the Department is required to serve everyone who requests services.** The funds originate in the Department of Health Care Policy and Financing as 50.0 percent federal Medicaid funds and 50.0 percent General Fund.

Staff Analysis

- ❑ The HRPW program has experienced dramatic growth since FY 2004-05. To date, the Department has consistently overspent its appropriation. Staff was concerned about the Department's difficulty in anticipating its expenditures and also about whether the current request is sufficient to fund the program in FY 2009-10.

- ❑ The HRPW program has recently experienced a dramatic increase in its expenditures. These appear to be driven by two main factors - 1) the extension of post-partum benefits from two to twelve months; and 2) an expanded capacity in its residential program. As illustrated in Table 1, the Department's FY 2009-10 request would

DEPARTMENT OF HUMAN SERVICES
Mental Health and Alcohol and Drug Abuse Division - Alcohol and Drug Abuse Services
FY 2009-10 Figure Setting

JBC WORKING DOCUMENT - DECISIONS SUBJECT TO CHANGE
 STAFF RECOMMENDATION DOES NOT REPRESENT COMMITTEE DECISION

increase the HRPW program's expenditures by 144.5 percent since FY 2004-05.

Factors Driving Expenditures

- ❑ In 2004, the General Assembly directed the Department of Health Care Policy and Financing to seek a federal waiver to expand the program's post-partum benefit from two months to 12 months [see Section 25.5-5-312, C.R.S.]. Assuming that a woman seeks treatment at eight weeks gestation, this legislation extended the benefit timeframe from 330 days to 524 days. Fiscal year 2007-08 was the first full year during which the extended benefit was in effect. **As reflected in Table 2, between FY 2006-07 and FY 2007-08, the average cost per client increased by 125.6 percent for outpatient services and 46.8 percent for residential services.**

- ❑ During FY 2006-07, a new treatment program at Araphoe House - The Aspen Center added 16 residential beds. The new site began providing services as of May 1, 2007, and increased the HRPW program's residential capacity to a total of 74 beds at four different sites.

High Risk Pregnant Women Program					
	FY 2003-04 Actual	FY 2004-05 Actual	FY 2005-06 Actual	FY 2006-07 Actual	FY 2007-08 Actual
Outpatient Clients	302	281	221	181	192
Outpatient Expenditures	\$187,820	\$200,233	\$107,777	\$94,738	\$226,534
Average Cost per Outpatient Client	\$622	\$713	\$488	\$523	\$1,180
Residential Clients	46	57	93	99	85
Residential Expenditures	\$281,729	\$643,071	\$835,926	\$1,014,709	\$1,278,616
Average Cost per Residential Client	\$6,125	\$11,282	\$8,988	\$10,250	\$15,043
Total Expenditures	\$469,549	\$843,304	\$943,703	\$1,109,447	\$1,505,150

DEPARTMENT OF HUMAN SERVICES
Mental Health and Alcohol and Drug Abuse Division - Alcohol and Drug Abuse Services
FY 2009-10 Figure Setting

JBC WORKING DOCUMENT - DECISIONS SUBJECT TO CHANGE
STAFF RECOMMENDATION DOES NOT REPRESENT COMMITTEE DECISION

Family-Centered Treatment [proposed NEW LINE ITEM]

Decision Item #26 / Budget Amendment #41

This new line item was proposed by decision item #26 in the Department's November 1, 2008 budget request. The request was for an additional \$908,620 General Fund for a new pilot program for FY 2009-10. However, the Department later submitted budget amendment #41, which withdrew the decision item. **Staff recommends the Department's requested budget amendment to withdraw this request for funds for Family-Centered Treatment.**

Integrated School-based Mental Health & Substance Use Treatment for Adolescents [proposed NEW LINE ITEM]

Decision Item #27 - Integrated School-based Substance Use Treatment for Adolescents

Department Request: The Department requests \$908,620 reappropriated funds to implement substance use treatment services in 26 metropolitan Denver middle and high schools. The funds will be used to contract with community programs to provide direct counseling services to students. The reappropriated funds would be transferred from the State Education Fund.

Staff Recommendation: Staff does not recommend this request.

Staff Analysis: Staff does not recommend this request because it is questionable as to whether State Education Funds may be used for this purpose. Additionally, these types of substance use prevention programs are already funded through the public school system, as well as through other established providers. Given the dramatically underfunded substance abuse treatment programs that currently exist, and the waiting list for those programs, it is unwise to use State funds to supplant local dollars targeted for this purpose.

- Funds are already available for this purpose.** The Colorado Department of Education allocates funds to school districts to establish, operate, and improve local substance use treatment and prevention. These federal funds are a part of Title IV,

DEPARTMENT OF HUMAN SERVICES
Mental Health and Alcohol and Drug Abuse Division - Alcohol and Drug Abuse Services
FY 2009-10 Figure Setting

JBC WORKING DOCUMENT - DECISIONS SUBJECT TO CHANGE
STAFF RECOMMENDATION DOES NOT REPRESENT COMMITTEE DECISION

Part A of the federal No Child Left Behind Act of 2001. The Department was also awarded funds under a Substance Abuse Mental Health Services Association Discretionary-Strategic Prevention Framework State Incentive Grant, and distributes these funds to local communities.

- According to the National Institute on Drug Abuse (NIDA), school-based prevention programs should be integrated into the school's academic program and be implemented school-wide in order to affect the school environment as a whole. Staff's understanding is that this proposal will not be implemented in this manner.

(2) COMMUNITY PROGRAMS

(b) Prevention and Intervention

Prevention Contracts

These funds support programs to provide individuals with the skills to avoid substance abuse and to decrease the risk factors associated with substance abuse, and the Department estimates that it will serve 78,000 people during FY 2008-09. The federal Substance Abuse Prevention and Treatment block grant requires that the Department use at least 20.0 percent of the funds for preventive services. Prevention strategies include distributing information on the nature and extent of drug use, providing substance abuse education, and identifying and referring clients to appropriate services.

The Department's request to reduce community provider rates to their FY 2007-08 amount would reduce this line item by \$507 General Fund. Pursuant to Committee common policy, staff's recommendation does not incorporate the Department's request. **Staff recommends appropriating \$3,887,638**, which includes \$34,336 General Fund, \$27,072 cash funds, and \$3,826,230 federal funds. The cash funds for this line item are from the Adolescent Substance Abuse Prevention and Treatment Fund [see Section 18-13-122 (16) (b), C.R.S.].

Persistent Drunk Driver Programs

Pursuant to Section 42-3-130.5, C.R.S., the Persistent Drunk Driver Cash Fund consists of funds from penalty surcharges on drunk drivers. The surcharge amount ranges from \$25 to \$500, and generates approximately \$75,000 a month. The Fund is used to support the Department of Transportation's efforts to curb persistent drunk drivers. It also supports programs that deter persistent drunk driving or provide public education, with particular emphasis on reaching young drivers. The Alcohol and Drug Abuse Division is the lead agency that coordinates these efforts amongst the Departments of Transportation, Revenue, and Human Services coordinate the programs. Staff's recommendation includes an additional \$61,791 cash funds for decision item #24, which was discussed earlier. **Staff**

DEPARTMENT OF HUMAN SERVICES
Mental Health and Alcohol and Drug Abuse Division - Alcohol and Drug Abuse Services
FY 2009-10 Figure Setting

JBC WORKING DOCUMENT - DECISIONS SUBJECT TO CHANGE
 STAFF RECOMMENDATION DOES NOT REPRESENT COMMITTEE DECISION

recommends \$1,108,199 cash funds for this line item.

PDD Prevention Services	
Fiscal Year	Total Served
2003-04	14,000
2004-05	21,000
2005-06	not collected
2006-07	144,359
2007-08	135,746

Law Enforcement Assistance Fund (LEAF) Contracts

The LEAF supports local efforts to prevent people from driving when using alcohol or other drugs. These activities are supported by a \$90 fee levied on those persons convicted of a DUI offense. Of this amount, \$15 is retained by the county in which the conviction occurred, and \$75 is deposited into the fund. Pursuant to Section 43-4-402 (2) (a), C.R.S., the funds are distributed to the Department of Public Health and Environment for the Implied Consent program, to the Alcohol and Drug Abuse Division (ADAD) for community prevention projects, and to the Department of Transportation for grants to local law enforcement agencies. In accordance with Section 43-4-403, C.R.S., ADAD must distribute these funds to municipalities with programs that coordinate efforts to prevent drunken driving and to enforce the laws pertaining to alcohol- and drug-related traffic offenses. on driving under the influence, including teacher training and the dissemination of educational curricula. **The Department requests, and staff recommends, an appropriation of \$255,000 cash funds,** which is a continuation level of funding.

(c) Other Programs

Other Federal Grants

ADAD receives a variety of federal alcohol and drug abuse categorical grants. The largest grants are currently the Colorado Prevention: Partners for Sustainable Change (\$2.4 million), the Screening Brief Intervention Referral for Treatment grant (\$2.1 million), and the Expanded School-based Services grant (\$500,000). The portion of federal grants anticipated to be used for administrative activities is shown in the Alcohol and Drug Abuse Administration section. **The Department requests, and staff recommends, an appropriation of \$5,063,429 (\$195,500 reappropriated funds and \$4,867,929 federal funds).**

DEPARTMENT OF HUMAN SERVICES
Mental Health and Alcohol and Drug Abuse Division - Alcohol and Drug Abuse Services
FY 2009-10 Figure Setting

JBC WORKING DOCUMENT - DECISIONS SUBJECT TO CHANGE

STAFF RECOMMENDATION DOES NOT REPRESENT COMMITTEE DECISION

Balance of Substance Abuse Grant, Block Grant Programs

This line item includes federal Substance Abuse Prevention and Treatment Block Grant funds not allocated elsewhere in the Long Bill. The Division has the flexibility to allocate funds from this line to any of the Community Programs Treatment Contracts. The block grant requires that 35.0 percent of the dollars be used alcohol abuse programs, 35.0 percent for drug abuse, 20.0 percent for prevention, and the remaining 10.0 percent can be applied to any of these three areas. **Staff recommends an appropriation of \$6,675,155** (\$189,763 General Fund and \$6,485,393 federal funds), which is a continuation level of funds. Staff's recommendation does not include the Department's requested provider rate reduction, which would have generated a savings of \$2,804 General Fund.

Community Treatment and Prevention

During the 2007 session the Legislature passed S.B.07-097 / H.B. 07-1359, which reallocated tobacco litigation settlement funds to the Division of Alcohol and Drug Abuse to purchase or provide additional community prevention and treatment services. Pursuant to Section 24-75-1104.5 (1.5) (a) (VIII), C.R.S., this line item receives approximately 3.0 percent of the tobacco dollars allocated for Tier II programs. **Staff's recommendation is pending** the figure-setting of the Department of Public Health and Environment.

LONG BILL FOOTNOTES AND REQUESTS FOR INFORMATION

Staff recommends that the following footnote be **continued as amended**:

- 2 Department of Corrections, Management, Executive Director's Office Subprogram; Department of Human Services, Mental Health and Alcohol and Drug Abuse Services, Alcohol and Drug Abuse Division; and Division of Youth Corrections; Judicial Department, Probation and Related Services; and Department of Public Safety, Division of Criminal Justice, AND COLORADO BUREAU OF INVESTIGATION --** State agencies involved in multi-agency programs requiring separate appropriations to each agency are requested to designate one lead agency to be responsible for submitting a comprehensive annual budget request for such programs to the Joint Budget Committee, including prior year, request year, and three year forecasts for revenues into the fund and expenditures from the fund by agency. The requests should be sustainable for the length of the forecast based on anticipated revenues. Each agency is still requested to submit its portion of such request with its own budget document. This applies to requests for appropriation from the Drug Offender Surcharge Fund, THE OFFENDER IDENTIFICATION

DEPARTMENT OF HUMAN SERVICES
Mental Health and Alcohol and Drug Abuse Division - Alcohol and Drug Abuse Services
FY 2009-10 Figure Setting

JBC WORKING DOCUMENT - DECISIONS SUBJECT TO CHANGE

STAFF RECOMMENDATION DOES NOT REPRESENT COMMITTEE DECISION

FUND, the Sex Offender Surcharge Fund, the Persistent Drunk Driver Cash Fund, and the Alcohol and Drug Driving Safety PROGRAM Fund, among other programs.

Comment: The amended footnote was recommended as a part of the Judicial Branch's figure-setting presentation.