

**COLORADO GENERAL ASSEMBLY  
JOINT BUDGET COMMITTEE**



**FY 2016-17 STAFF FIGURE SETTING  
DEPARTMENT OF HUMAN SERVICES**

**(Behavioral Health Services Only)**

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

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### **How to Use this Document**

The Department Overview contains a table summarizing the staff recommended incremental changes followed by brief explanations of each incremental change. As this document only covers one division, this table is not repeated at the division level. More details about the incremental changes are provided in the sections following the Department Overview.

Decision items, both department-requested items and staff-initiated items, are discussed either in the Decision Items Affecting Multiple Divisions or at the beginning of the most relevant division. Within a section, decision items are listed in the requested priority order, if applicable.

## **Department Overview**

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The Department of Human Services (DHS) is responsible for the administration and supervision of most non-medical public assistance and welfare activities of the State, including financial and nutritional assistance programs, child protection services, rehabilitation programs, and programs for older Coloradans. The DHS is also responsible for inspecting and licensing child care facilities. The DHS operates two mental health institutes, three regional centers for persons with intellectual and developmental disabilities, and ten institutions for delinquent juveniles. The DHS also contracts with community-based organizations for: behavioral health services that are not otherwise available, services for persons with intellectual and developmental disabilities, and the supervision and treatment of delinquent juveniles.

This document concerns the Department's Office of Behavioral Health, which is responsible for policy development, service provision and coordination, program monitoring and evaluation, and administrative oversight of the State's public behavioral health system. Funding in this section supports community-based mental health and substance use disorder services that are otherwise not available. This includes services for people with low income who are not eligible for Medicaid, as well as services for Medicaid-eligible clients that are not covered by the Medicaid program<sup>1</sup>. Funding in this section also supports administration and operation of the State's two mental health institutes, which provide inpatient hospitalization for individuals with serious mental illness. The institutes serve three populations: (a) individuals with pending criminal charges who require evaluations of competency to stand trial and services to restore competency; (b) individuals who have been found to be not guilty by reason of insanity; and (c) adults and adolescents who are referred for admission by the community mental health centers, county departments of social services, or the Division of Youth Corrections.

Please note that some behavioral health functions and programs administered by the DHS receive funding through the Medicaid program, including the following:

- Community behavioral health administration
- Behavioral health services for youth and pregnant women
- Mental health institutes

The federal Medicaid funds that support these programs and any state matching funds are first appropriated to the Department of Health Care Policy and Financing (HCPF), then appropriated a second time to DHS for each relevant program (reflected as reappropriated funds). Within the HCPF budget, these funds are reflected in the section titled: "Department of Human Services Medicaid-Funded Programs" (section 7). The staff recommendations for Medicaid funding that supports behavioral health programs is included in the document titled, "FY 2016-17 Staff Figure Setting: Department of Health Care Policy and Financing, Medicaid Behavioral Health Community Programs, and dated March 3, 2016.

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<sup>1</sup> Mental health and substance use disorder services for Medicaid-eligible clients are primarily funded through the Department of Health Care Policy and Financing.

## SUMMARY OF STAFF RECOMMENDATIONS

<b>Behavioral Health Services</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2015-16 Appropriation</b>						
SB 15-234 (Long Bill)	\$254,178,268	\$183,638,257	\$18,265,045	\$17,010,075	\$35,264,891	1,281.1
HB 16-1242 (Supplemental Bill)	3,334,698	3,843,952	(519,764)	10,510	0	5.1
Other legislation	<u>500,000</u>	<u>500,000</u>	<u>(1,550,000)</u>	<u>1,550,000</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$258,012,966</b>	<b>\$187,982,209</b>	<b>\$16,195,281</b>	<b>\$18,570,585</b>	<b>\$35,264,891</b>	<b>1,286.2</b>
<b>FY 2016-17 Recommended Appropriation</b>						
FY 2015-16 Appropriation	\$258,012,966	\$187,982,209	\$16,195,281	\$18,570,585	\$35,264,891	1,286.2
R3 Court-ordered competency evaluations and restoration treatment	1,343,638	1,343,638	0	0	0	3.0
R11 Intensive residential treatment for SUD	5,500,000	0	5,500,000	0	0	0.0
Annualize H.B. 15-1367	0	(500,000)	500,000	0	0	0.0
R14/BA6 Behavioral health crisis services staffing	189,004	189,004	0	0	0	2.4
BA2 Gambling addition program spending authority	(169,000)	0	(169,000)	0	0	0.0
BA4 MHI revenue adjustment	0	0	(368,000)	368,000	0	0.0
BA10 Mental health institutes electronic health record funding adjustment	771,000	771,000	0	0	0	0.0
NP3 DOC food service inflation	45,977	0	0	45,977	0	0.0
Annualize prior year budget action	(415,822)	(463,701)	8,757	16,767	22,355	0.3
Centrally appropriated line items	(58,788)	0	(58,788)	0	0	0.0
Correctional Treatment Cash Fund allocation	50,000	0	0	50,000	0	0.0
Tobacco Master Settlement adjustment	(45,248)	0	(45,248)	0	0	0.0
JBC Staff-initiated federal funds update	<u>(64,954)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(64,954)</u>	<u>(1.5)</u>
<b>TOTAL</b>	<b>\$265,158,773</b>	<b>\$189,322,150</b>	<b>\$21,563,002</b>	<b>\$19,051,329</b>	<b>\$35,222,292</b>	<b>1,290.4</b>
<b>Increase/(Decrease)</b>	\$7,145,807	\$1,339,941	\$5,367,721	\$480,744	(\$42,599)	4.2
Percentage Change	2.8%	0.7%	33.1%	2.6%	(0.1%)	0.3%
<b>FY 2016-17 Executive Request:</b>						
Request Above/(Below) Recommendation	(\$1,077,267)	(\$1,267,178)	\$285,887	(\$160,930)	\$64,954	2.4

## **Description of Incremental Changes**

**R3 Court-ordered evaluations and restoration treatment:** The recommendation includes \$1,343,638 General Fund and 3.0 FTE to address continued increases in the number of court-ordered competency evaluations and restorations to competency. This recommendation provides a full 12 months of ongoing funding to expand the number of psychologists performing both inpatient and outpatient competency evaluations, and for the operation of a 30-bed competency evaluation and restoration program located in the Arapahoe County Detention Center.

**R11 Intensive residential treatment for substance use disorder (SUD)/ Annualize H.B. 15-1367:** The recommendation includes a total of \$6,000,000 cash funds from the Marijuana Tax Cash Fund (MTCF), including a continuation of the \$500,000 that was appropriated through H.B. 15-1367, to provide a reliable, sustainable source of funding for managed service organizations to expand access to residential or other high intensity substance use disorder treatment services based on the needs and existing resources in each geographic region. The recommendation replaces the \$500,000 General Fund appropriation from the Proposition AA Refund Account for FY 2015-16 with a cash funds appropriation from the MTCF.

**R14/BA6 Behavioral health crisis services staffing:** The recommendation includes \$189,004 General Fund and 2.4 FTE to provide a full 12 months of funding for 3.0 FTE added in FY 2015-16 to enhance oversight of the statewide behavioral health crisis system.

**BA2 Gambling addiction program spending authority:** The recommendation eliminates an appropriation of \$169,000 cash funds from the Gambling Addiction Account within the Local Government Limited Gaming Impact Fund. This one-time appropriation was included in the supplemental bill (H.B. 16-1242) to allow the Department to spend down the fund balance and address issues identified in a recent performance audit.

**BA4 Mental health institute (MHI) revenue adjustment:** The recommendation includes continuation of fund source adjustments recently approved for the mental health institutes for FY 2015-16. The recommendation also includes the shift of \$368,000 from cash funds to reappropriated funds to more accurately reflect payments from the Judicial Department to the mental health institutes for inpatient competency evaluations.

**BA10 Mental health institutes electronic health record funding adjustment:** The recommendation includes a one-time appropriation of \$771,000 General Fund related to the implementation of the electronic health record (EHR) system at the mental health institutes. This funding will pay for contract nursing staff and overtime for nursing staff to attend mandatory training for the new EHR system. The Committee previously approved this request, along with a one-time decrease of \$771,000 in the General Fund appropriation for the ongoing development and enhancement of the system.

**NP3 DOC food service inflation:** The recommendation includes \$45,977 reappropriated funds transferred from the Department of Corrections (DOC) to cover an increase in the cost of preparing meals for DOC facilities located on the Pueblo campus. This amount is currently pending, and will be addressed by Steve Allen on March 16, 2016, as part of his figure setting recommendations for DOC.

**Annualize prior year budget action:** The recommendation includes adjustments related to several prior year budget actions. The recommended reduction of \$415,822 total funds and an increase of 0.3 FTE is comprised of the following:

- *FY 2015-16 salary increases:* Increase of \$1,409,062 (including \$1,369,940 General Fund) to reflect the allocation of FY 2015-16 salary increases to each respective line item that supports employee salaries (primarily for staff at the mental health institutes).
- *FY 2014-15 DHS R11:* Increase of \$50,762 General Fund and 0.3 FTE to fund a full 12 months of personal services and operating expenses associated with 8.0 FTE added over the last two fiscal years for both mental health institutes to provide customer support, management, analysis, and system modification support for the newly implemented automated electronic health record system.
- *Cash fund spending authority adjustments:* Increase cash fund spending authority from the Rural Alcohol and Substance Abuse Cash Fund by \$23,757. Reduce cash fund spending authority from the Cigarette, Tobacco Product, and Nicotine Product Use by Minors Prevention Fund by \$15,000.
- *FY 2015-16 DHS R14:* Elimination of a \$1,659,403 General Fund appropriation for a variety of equipment replacements, repairs, and minor renovations at the mental health institutes.
- *FY 2015-16 DHS R13:* Elimination of a one-time \$225,000 General Fund appropriation to allow the Department to contract with a vendor to analyze the potential for the Circle Program to operate as an autonomous program, separate from CMHIP.

**Centrally appropriated line items:** The recommendation reflects a \$58,788 reduction in cash fund appropriations from the Marijuana Tax Cash Fund for Circle Program employee benefits.

**Correctional Treatment Cash Fund allocation:** Consistent with the Committee's previous action on the Correctional Treatment Board's plan for FY 2016-17, the recommendation reflects: (1) an increase of \$95,000 reappropriated funds (transferred from the Judicial Department) for the Short-term Intensive Residential Remediation and Treatment (STIRRT) program to cover the costs of modifying the program based on current research and best practices; and (2) a reduction of \$45,000 reappropriated funds for Jail-based Behavioral Health Services.

**Tobacco Master Settlement adjustment:** The recommendation includes a reduction of \$45,248 cash funds consistent with previous Committee action on tobacco settlement-funded programs.

**JBC Staff-initiated federal funds adjustment:** The recommendation includes a reduction of \$64,954 federal funds and 1.5 FTE to more accurately reflect anticipated expenditures. The recommendation also includes the transfer of federal funds and some matching General Fund money among line items to better reflect the nature of planned expenditures.

## **Major Differences from the Request**

Overall, the staff recommendation is \$1,077,267 higher than the request. The most significant differences between the recommendation and the request are listed below.

- The Department submitted requests for cash fund appropriations from the Marijuana Tax Cash Fund (MTCF) totaling \$6,026,272 and 0.9 FTE (R11, R12, R13, and continuation of funding included in H.B. 15-1367). The requests propose expenditures for several different substance use-related purposes. Staff's recommendation includes a single \$6,000,000 cash fund appropriation from the MTCF (and 0.0 FTE) to provide a reliable, sustainable source of funding for managed service organizations to expand access to residential or other high intensity substance use disorder treatment services based on the needs and existing resources in each geographic region.
- The recommendation excludes \$1,072,130 total funds for a proposed 1.0 percent reduction in community provider rate increases.
- The recommendation includes the shift of \$368,000 from cash funds to reappropriated funds to more accurately reflect payments from the Judicial Department to the mental health institutes for inpatient competency evaluations.
- The recommendation excludes a requested \$221,325 reduction in the General Fund appropriation for behavioral health crisis response system services provided through Community Mental Health Centers.
- The recommendation reflects the annual \$100,000 appropriation for Gambling Addiction Counseling Services as a cash funds appropriation from the Gambling Addiction Account within the Local Government Limited Gaming Impact Fund rather than as reappropriated funds transferred from the Department of Local Affairs. The recommendation also eliminates a one-time appropriation of \$169,000 cash funds appropriation from this Account.
- The recommendation includes a reduction of \$64,954 federal funds and 1.5 FTE to more accurately reflect anticipated expenditures.
- Consistent with the Committee's previous action on the Correctional Treatment Board's plan for FY 2016-17, the recommendation reflects a reduction of only \$45,000 reappropriated funds, rather than \$95,000, for jail-based behavioral health services.
- Staff's recommendation is \$45,248 cash funds lower than the request due to the Committee's previous action on tobacco-funded programs.
- The recommendation reflects a \$23,757 increase in the cash funds spending authority from the Rural Alcohol and Substance Abuse Cash Fund.

## **DECISION ITEMS AFFECTING MULTIPLE DIVISIONS (NONE)**

### **(8) Behavioral Health Services**

The Office of Behavioral Health in the Department of Human Services (DHS) is responsible for policy development, service provision and coordination, program monitoring and evaluation, and administrative oversight of the State's public behavioral health system. The Office contracts with 17 community mental health centers (Centers) across the state to provide mental health services that are not otherwise available. Each Center is responsible for providing a set of core services, ranging from public education to inpatient services. The Office also contracts with four managed service organizations (MSOs) for the provision of substance use disorder treatment and detoxification services that are not otherwise available. MSOs subcontract with local treatment providers across the state to deliver these services. In addition, the Department administers funding for programs that integrate mental health and substance use-related services. While the majority of community-based behavioral health funding is allocated to Centers and MSOs, the Department also contracts with other organizations to provide specific types of services or services targeting specific populations.

The Department also administers and operates two mental health institutes that provide inpatient hospitalization for up to 545 individuals with serious mental illness. One institute is located in Pueblo and the other is located on the Fort Logan campus in southwest Denver. The institutes serve three populations:

- (1) individuals with pending criminal charges who require evaluations of competency to stand trial and services to restore competency;
- (2) individuals who have been found not guilty by reason of insanity; and
- (3) adults and adolescents who are referred for admission by community mental health centers, county departments of social services, or the Department's Division of Youth Corrections.

In addition to General Fund, this section is primarily supported by the following fund sources:

- the federal Substance Abuse Prevention and Treatment (SAPT) and Community Mental Health Services (CMHS) block grants;
- transfers from the Department of Health Care Policy and Financing (HCPF), which originate as General Fund and federal Medicaid funds;
- patient revenues earned by the mental health institutes (including Medicaid and Medicare funds);
- transfers from the Judicial Department, which originate as General Fund and drug offender surcharge revenues;
- marijuana tax revenues; and
- tobacco litigation settlement moneys that are credited to the Offender Mental Health Services Fund.

## DECISION ITEMS – BEHAVIORAL HEALTH SERVICES

### ➔ **R3 Court-ordered Competency Evaluations and Restoration Treatment**

*Request:* The Department requests a total of \$4,111,685 General Fund and 7.5 FTE in FY 2016-17 to address continued increases in the number of court-ordered competency evaluations and restorations to competency. The following table details by line item appropriation the Department's corresponding interim supplemental request for FY 2015-16 (which was approved by the Committee in September), as well as ongoing funding requested for FY 2016-17.

<b>Summary of Request for R3: Court Ordered Evaluation and Jail-based Bed Space</b>			
Description	FY 2015-16 Appropriation	FY 2016-17 Request	Annual Change
<b><u>Executive Director's Office</u></b>			
<b><i>General Administration</i></b>			
Health, Life, and Dental	\$47,563	\$63,417	\$15,854
Short-term Disability	709	1,048	339
S.B. 04-257 AED	14,198	26,473	12,275
S.B. 06-235 SAED	<u>13,715</u>	<u>26,197</u>	<u>12,482</u>
Subtotal	76,185	117,135	40,950
<b><u>Office of Behavioral Health</u></b>			
<b><i>Mental Health Institutes, Mental Health Institute - Pueblo</i></b>			
Personal Services	257,407	468,753	211,346
FTE	3.1	5.5	2.4
Operating Expenses	24,344	10,023	(14,321)
Jail-based Competency Restoration Program	2,369,161	3,515,774	1,146,613
FTE	<u>1.4</u>	<u>2.0</u>	<u>0.6</u>
Subtotal	2,650,912	3,994,550	1,343,638
FTE	4.5	7.5	3.0
<b>Total General Fund</b>	<b>\$2,727,097</b>	<b>\$4,111,685</b>	<b>\$1,384,588</b>
FTE	4.5	7.5	3.0

*Recommendation:* Consistent with Committee action on the supplemental request, staff recommends approving the request for continuation funding in FY 2016-17. Absent additional resources to conduct competency evaluations, to provide restoration treatment, and house defendants requiring such services, the length of time defendants wait to receive such services will continue to increase and jeopardize the Department's ability to comply with the terms of the Settlement Agreement. In addition, the Department could be at risk for further legal action due to longer waits for other types of hospital admissions. The Department's request is designed to

provide more flexibility by creating bed space outside CMHIP for defendants who need either a competency evaluation or restoration treatment, and by allowing this new capacity to be used by defendants from outside the metro Denver area when appropriate.

*Analysis:*

CMHIP Staff to Conduct Competency Evaluations (\$567,249 and 5.5 FTE for FY 2016-17)

The Department requests \$567,249 General Fund and 5.5 FTE for FY 2016-17 to address continued increases in the number of court-ordered competency evaluations. These evaluations are performed at CMHIP, in county jails, in juvenile detention facilities, or at other locations in the community if the defendant is released on bond. The request includes funding for 4.5 FTE Psychologists (4.6 FTE for FY 2017-18) and 1.0 FTE Administrative Assistant. The Psychologists perform the competency evaluations and prepare the reports for the court. The Administrative Assistant manages the large number of documents that accompany each court-ordered evaluation and assists with the preparation and distribution of evaluation reports.

Jail-Based Restoration and Evaluation Program (\$3,544,436 and 2.0 FTE)

The Department requests \$3,544,436 General Fund and 2.0 FTE for FY 2016-17 to address the increased need to house individuals requiring restoration treatment or competency evaluations. The Department currently contracts for a 22 bed jail-based restoration program (called "Restoring Individuals Safely and Effectively (RISE)"); this proposal would add another 30 beds. The contracted daily rate for the existing jail-based restoration program is \$307.50 per bed; this compares to the FY 2015-16 inpatient daily rate at CMHIP for forensic psychiatry of \$676.00 per bed. The Department proposes to contract for an additional 30 jail-based beds that would be available for defendants in all 64 counties. The requested funding is based on the contracted daily rate paid for the RISE program for FY 2015-16.

Similar to the RISE program operation, this request includes funding for 1.0 FTE Program Manager and 1.0 FTE Administrative Assistant. The Program Manager (a Psychologist) reviews patient files to determine eligibility for the program, and acts as a liaison between CMHIP and the contract vendor. The Administrative Assistant is required to manage the paperwork between the jails, CMHIP, and the contract vendor.

Update:

- The Department issued a request for proposals on October 2, 2015, and selected Correct Care, LLC as the vendor. The new 30 bed program is located at the Arapahoe County Detention Center (the same location as the RISE Program). The vendor hired and trained staff and prepared the site in January, and began accepting referrals on February 1, 2016. The number of beds and per-bed costs (\$307.50 per day) reflected in the contract are consistent with the assumptions the Department used to develop the initial supplemental request.
- In January the Department filled the two positions requested to manage and administer this program. In December and January, the Department also filled three of the Psychologist positions and the administrative support position. The Department is continuing to advertise to hire an additional psychologist.

- The Department amended the contract for the existing RISE Program to permit the Program to accept for admittance defendants for whom an "outpatient" in-jail competency evaluation has been ordered.
- The Department has increased utilization of temporary FTE and contract staff to provide the necessary unit coverage to maintain patient and staff safety.
- **The Department indicates that as of January 25, 2016, it is in compliance with the timeframes set forth in the 2012 Settlement Agreement<sup>2</sup>.**

### **➔ R11 Intensive Residential Treatment for SUD**

*Request:* The Department requests \$4,726,272 in cash funds from the Marijuana Tax Cash Fund and 0.9 FTE for FY 2016-17 to increase the availability of intensive residential substance use disorder (SUD) treatment for individuals with the most severe addictions that are not being addressed through the current treatment system. This request would support a total of five intensive residential programs (80 beds), including:

- Two specialty residential programs for women who are pregnant, postpartum, or already parenting children (32 beds);
- One residential program to serve individuals aged 18 – 25 who need residential care (16 beds); and
- Two non-specialty intensive residential programs for adult men (32 beds).

The Department indicates that this request would serve up to 960 clients annually (based on an average length of stay of 30 days). The locations and regions impacted by the proposed programs would be determined through a statewide selection process based on the local need demonstrated by bidders. Services would be available to individuals on probation or transitioning from jail or prison (in addition to those who are not). The programs would provide care based upon a client-centered, trauma-informed course of treatment in order to maximize treatment engagement. The request includes \$4,559,853 to fund the five programs for eight months in FY 2016-17, including \$750,000 for start-up expenses. Rather than paying a daily rate per client, the Department intends to contract for the full cost of treatment for a guaranteed number of beds to ensure continued capacity and cash flow for the provider. The final total contract amounts would be based on a competitive procurement process.

The request also includes \$77,500 for an evaluation contractor to study the effectiveness of the treatment provided by the programs; this funding would support six months of activity in FY 2016-17. In addition to establishing the metrics, data collection practices, training of program staff, data collection and analysis, and report writing, the evaluator will provide facility-level technical assistance and fidelity oversight.

Finally, the requested funding also includes \$88,919 for two part-time state employees for on-site monitoring and program oversight (0.5 FTE) and fiscal compliance and oversight (0.4 FTE).

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<sup>2</sup> The Agreement requires the Department to admit pretrial detainees to the Colorado Mental Health Institute at Pueblo (CMHIP) for competency evaluations or for restorative treatment no later than 28 days after the individual is ready for admission, and to maintain a monthly average of 24 days or less for admission.

*JBC Staff Figure Setting: FY 2016-17*  
*Staff Working Document – Does Not Represent Committee Decision*

The following table details by line item appropriation the Department's request for FY 2016-17, as well as ongoing funding requested for FY 2017-18.

<b>Summary of Request for R11: Intensive Residential Treatment for SUD</b>			
<b>Description</b>	<b>FY 2016-17</b>	<b>FY 2017-18</b>	<b>Annual Change</b>
<b><u>Executive Director's Office</u></b>			
<b><i>General Administration</i></b>			
Health, Life, and Dental	\$15,854	\$15,854	\$0
Short-term Disability	97	106	9
S.B. 04-257 AED	2,455	2,678	223
S.B. 06-235 SAED	<u>2,429</u>	<u>2,650</u>	<u>221</u>
Subtotal	20,835	21,288	453
<b><u>Office of Behavioral Health</u></b>			
<b><i>Community Behavioral Health Administration</i></b>			
Personal Services	57,073	62,261	5,188
FTE	0.9	0.9	0.0
Operating Expenses	11,011	1,605	(9,406)
<b><i>Substance Use Treatment and Prevention</i></b>			
Treatment and Detoxification Contracts	4,637,353	6,063,452	1,426,099
FTE			<u>0.0</u>
Subtotal	4,705,437	6,127,318	1,421,881
FTE	0.9	0.9	0.0
<b>Total Cash Funds</b>	<b>\$4,726,272</b>	<b>\$6,148,606</b>	<b>\$1,422,334</b>
FTE	0.9	0.9	0.0

*Recommendation:* Staff recommends approving the request with several modifications. While staff believes that money in the MTCF can and should be appropriated to expand access to substance abuse treatment services, staff is not convinced that the Department's proposal is most effective or efficient method of expanding access to services. Instead, staff recommends the following:

- Appropriate a total of \$6,000,000 cash funds from the MTCF to be allocated among managed service organizations (MSOs) based on a reasonable allocation methodology that utilizes relevant, available data.
- Require each MSO, in collaboration with relevant community organizations and behavioral health providers, to assess the sufficiency of substance use disorder services within its geographic region(s) for all populations in need of intensive residential or inpatient services. This assessment should include an analysis of existing funding and resources (including Medicaid funding) within the community to pay for services to these populations.

- Require the MSO to submit a plan to the Department of Human Services and the Department of Health Care Policy and Financing (HCPF) that summarizes the results of the community assessment, and describes how the MSO plans to utilize its allocation of MTCF to address the most critical service gaps in each geographic region. This information should be useful for HCPF in evaluating the adequacy of the existing Medicaid behavioral health benefit (*e.g.*, what is the impact of not providing Medicaid substance use disorder services for adolescents in the custody of county departments of social services?).
- Allow MSOs the flexibility to utilize MTCF money in whatever way is most effective to expand access to substance use disorder services for those populations in need of residential or inpatient treatment services. This may include approaches such as: making funding available to existing residential treatment providers to increase capacity utilization; allocating funding for a guaranteed number of beds to ensure continued capacity and sufficient cash flow for a provider; purchasing services from other geographic regions and paying for transportation or other associated services; or providing a similar level of service in a non-residential setting if such services are effective.
- Do not provide funding for the Department to hire additional staff for on-site monitoring and program oversight and fiscal compliance and oversight. Instead, rely on the MSOs to ensure a continuum of high quality care, to monitor the adequacy of access to care, and to provide fiscal oversight within their geographic region. The Department would continue providing appropriate oversight through licensing functions and establishing outcome and performance measures for MSOs.
- Allow the Department to utilize the funding requested (\$77,500 for FY 2016-17 and \$150,000 for FY 2017-18) for an evaluation contractor to study the effectiveness of residential substance use disorder treatment provided. The Department should involve HCPF in the design of this evaluation so that the data and analyses will be useful for evaluating whether the Medicaid behavioral health benefit should be expanded to include residential treatment or similar high intensity services.

Staff's recommendation is intended to provide a reliable, sustainable source of funding for MSO's to expand access to residential or other high intensity substance use disorder treatment services based on the needs and existing resources in each geographic region. The recommendation is also intended to make the most efficient use of MTCF money by relying on the existing MSO infrastructure while engaging other community organizations and providers that may not currently be part of an MSO network. **The implementation of this recommendation may require legislation** if the General Assembly wishes to provide direction to the Department in how such funds should be allocated and distributed.

*Analysis:*

The Department indicates that the federal Affordable Care Act expanded access to health care for people who did not have health insurance previously, including mental health and substance use disorder (SUD) treatment benefits in all insurance plans. However, the ACA did not provide coverage for some behavioral health services, including:

- Prevention/intervention
- Community support (including housing, transition support, and employment services tailored to people with behavioral health disorders)

- Care coordination
- Transition out of institutions (prisons and jails, mental health institutes, and nursing homes)
- Residential and inpatient SUD treatment
- Recovery support services to assist people to maintain the gains made in treatment

This request addresses the unmet need for residential and inpatient SUD treatment.

The Department contracts with managed services organizations (MSOs) to deliver comprehensive, evidence-based SUD treatment services for low-income Coloradans for those services that are not covered by Medicaid or any other insurance. Medicaid covers outpatient care, group therapy, individual therapy, case management, and social model detoxification services. However, intensive residential treatment services are not currently covered by Medicaid except for the Special Connections program for pregnant and postpartum women. While private insurance may cover some intensive residential services on a limited basis in some cases, but it typically does not. For example, there may be limits to the number of days that will be covered (*e.g.*, three days as opposed to 30 days). In addition, the Department indicates that sometimes deductibles and co-pays are a barrier for people to utilize their SUD treatment benefits.

This request seeks to fill an existing gap in service for intensive residential treatment for adults, as well as for those with specialized treatment needs such young adults ages 18 – 25 and women with children. The proposed level of treatment is "medically managed high intensity" residential treatment, which is appropriate for those individuals who present with a risk of severe withdrawal from substances, unaddressed psychiatric and emotional issues, and physical health issues such as poorly controlled diabetes, pregnancy, infections, and chronic medical conditions. For people experiencing these multiple health problems, abstinence from substance use enables them to effectively address their primary health issues. For those living in drug-using environments, residential treatment separates them from the external stressors that exacerbate their addiction issues. Those who enter intensive residential treatment halt their use and stabilize in that environment, after which they continue treatment on an outpatient basis.

The Department indicates that there are currently 20 public and private programs in Colorado licensed to provide intensive residential treatment (IRT) to individuals of all income levels and insurance coverages. In the past 10 years, IRT admissions have increased by 14 percent, indicating that the demand for this level of care is increasing. Additionally, County Departments of Human Services have stated anecdotally that they are not able to access this level of care for the parents of children in their custody.

The Department also indicates that while available research on IRT for substance use disorders identifies best practices for providing treatment to specific populations such as mothers with children and youth in transition, but there is limited information on effectiveness or outcomes. Research concerning IRT for criminal recidivism and shows a positive minimal impact on recidivism. However, the impact on substance use disorders has not been extensively researched. The Department is thus requesting funding for an evaluation study. The Department plans to measure: (1) Reduction in substance use between treatment admission and discharge; and (2) No re-entry into residential treatment within six months of discharge.

Staff is supportive of the Department's goal of increasing access to intensive residential treatment for individuals with substance use disorder who require that level of treatment. Staff is also supportive of the Department's proposal to fund a specific number of beds rather than paying a daily rate per client to ensure continued capacity and cash flow for the provider, and the proposal to utilize some of the funding for an evaluation contractor to study the effectiveness of residential substance use disorder treatment provided. However, staff has several concerns with the Department's proposal:

New Capacity vs Existing Capacity. The Department's request indicates that the demand for intensive residential treatment is increasing and this request is intended to fill an existing gap in this level of service for three specified populations. The request is calculated based on developing five new facilities (*i.e.*, it includes the costs to lease or purchase property and it includes "startup" funding of \$150,000 per facility). However, staff has learned that many of the existing facilities that provide residential treatment are not operating at full capacity because existing funding is simply not sufficient to cover facility operating costs.

For example, while Medicaid does not cover most residential substance abuse services, it does cover services for pregnant and postpartum women through the Special Connections program. However, the federal policy concerning institutions for mental disease (IMD) prohibits programs of more than 16 beds from collecting Medicaid reimbursement. Thus the existing 20-bed Women's Recovery Center operated by Mind Springs is not eligible for Medicaid funding. Even facilities with 16 beds may be challenged to operate at capacity due to other limitations such as zoning ordinances that require infants to be counted when determining maximum capacity (thereby limiting the number of women who can be served and for whom Medicaid reimbursement can be claimed). As noted by the Department, there are also restrictions on commercial insurance coverage (*e.g.*, the number of days covered or deductible requirements), and most clients do not have the resources to cover the cost of treatment.

In its response to a recent request for information, the Department acknowledged that due to the high start-up and fixed costs associated with operating intensive residential treatment, programs must be able to maintain a base level of referrals to cover their costs. Most providers have relied on federal Substance Abuse Prevention and Treatment block grant funds to support these facilities. Some providers report plans to close facilities or units due to the inadequacy of these federal funds, and many report utilization rates ranging from 48 percent to 75 percent. If the goal is to increase access to intensive residential treatment, it would be more efficient to allow the funds to be used to pay for existing, underutilized capacity.

Limiting Access to Specific Populations. The Department is planning to designate capacity for specific populations, including 32 beds for pregnant/parenting women, 16 beds for individuals aged 18-25, and 32 beds for adult men. Staff has no data to indicate that these are the populations most in need of residential services. Some providers have questioned whether the continued emphasis on pregnant and postpartum women is appropriate, and suggested consideration for the needs of women who are not pregnant or postpartum. Based on recent experience, staff is not convinced that either the General Assembly or the Department is in a position to determine which populations are most in need of these services.

The most recent attempt to fund treatment services for specific populations has not been effective. Specifically, S.B. 14-215 appropriated \$1.5 million from the MTCF for substance use disorder services for adolescents and pregnant women. In FY 2014-15, only \$278,110 (18.5 percent) of the available funds were spent. The General Assembly authorized the Department to spend the remaining funds in FY 2015-16; as of February 24, 2016, only \$598,805 of the \$1.2 million remaining available has been spent. Further, the "Special Connections" program that is administered by the Department of Human Services (but funded through Medicaid) continues to underutilize available funding. The following table provides a recent history of appropriations, expenditures, and some data about the number of women served.

<b>Special Connections Program</b>				
<b>Description</b>	<b>FY 2012-13</b>	<b>FY 2013-14</b>	<b>FY 2014-15</b>	<b>FY 2015-16</b>
Appropriation	\$1,999,146	\$1,429,133	\$1,464,861	\$1,600,000
Actual Expenditures	1,052,271	1,138,015	969,806	
Expenditures Over/ (Under) Appropriation	(946,875)	(291,118)	(495,055)	
Number of Women Served				
Outpatient		170	138	
Residential		<u>95</u>	<u>103</u>	
Total		265	241	311
<i>Annual percent change</i>			-9.1%	29.2%
Average cost per woman served		\$4,294	\$4,024	\$5,138
<i>Annual percent change</i>			-6.3%	27.7%

Staff suggests that it may be more effective to allow MSOs to determine, in collaboration with relevant community organizations and behavioral health providers, what populations are most in need of intensive residential services and the best way to expand access for these populations.

Determining the Service Needs in Each Region. The Department plans to use a competitive procurement process to determine the need for intensive residential treatment in each region. The Department also proposes adding two part-time staff for on-site monitoring and program oversight, and fiscal compliance and oversight. Staff is not convinced that is the most effective process to identify service needs or distribute funding.

Most recently the General Assembly appropriated \$500,000 General Fund (from the Proposition AA Refund Account) through H.B. 15-1367 for "treatment and detoxification contracts". Despite this broad stated purpose, the Department issued a letter of intent requesting proposals to address several specific areas, including:

- Increased coordination of substance use disorder services, especially withdrawal management (*i.e.*, detoxification), with existing Colorado Crisis Services, especially in rural locations;
- Increased access to services through the use of technology; and/or
- Increased capacity for residential substance use disorder treatment.

To date, only \$403,082 of these funds has been allocated to four of seven regions. Two of the contracts were recently signed by the Department Controller, and the third contract is with the Department Controller but is not yet signed. The Department anticipates that funds will be available to spend by March 15.

The Department plans to issue another letter of intent concerning the use of this \$500,000 in FY 2016-17 if the General Assembly approves its request for continuation funding. The Department will request that MSOs propose funding in one or more of the above delineated areas or for increased capacity for medication assisted treatment, particularly to serve people addicted to opioids/opiates. Funds will then be allocated to MSOs based on their responses to the letter of intent.

The Department's approach to allocating state funds for substance use detoxification and treatment services does not appear to be effective or efficient. It appears to be incredibly time-intensive for both Department staff and the entities it contracts with, and it frequently results in funds going unspent. Some providers have expressed concern that this leaves the impression that these funds are not needed.

Staff believes that MTCF money can and should be used to increase access to substance use treatment in all regions of the state. However, staff believes that local communities are in the best position to identify the most important needs and service gaps in their region. It is possible that these needs differ between communities. It is also possible that a community's ability to meet the same need may differ. In its response to a recent legislative request for information, the Department acknowledged that it is difficult to create and maintain capacity for specialized or intensive services in rural areas due to inconsistent demand, geographic distances that limit access to services, and the challenge of recruiting and retaining staff with appropriate expertise and credentials. Staff thus recommends allowing MSOs, in collaboration with relevant community organizations and behavioral health providers, to determine how to utilize MTCF money to expand access to substance use disorder services for those populations in need of residential or inpatient treatment services.

**➔ R12 Sober Living Homes**

*Request:* The Department requests \$300,000 cash funds from the Marijuana Tax Cash Fund for FY 2016-17 to create a statewide program of consumer-run sober living homes. This request provides individuals leaving substance use disorder treatment access to low cost housing with a safe and supportive environment in order to support their sobriety and recovery. The requested funding would allow the Department to contract with an organization to establish 12 to 15 sober living houses statewide, disbursed throughout the state according to need (but with a likely emphasis on rural locations). The locations and regions impacted by the proposed programs would be determined through a statewide selection process based on the local need demonstrated by bidders. These homes would provide stable, drug-free housing for up to 60 people per year who self-identify as being in recovery. The contracted organization would be responsible for building up the peer support for recovery treatment model within each home. Once each home is established and occupied, rent and fees paid by the occupants would serve to replenish the funding used to start the home, subsequently freeing that money up to start another home.

*Recommendation:* Staff recommends denying the request due to: (1) a lack of statutory authority to utilize money in the MTCF for the proposed program; and (2) concerns about the proposed method of allocating funding.

*Analysis:*

The Department indicates that the lack of a stable, alcohol and drug-free living environment can hinder the ability of an alcoholic or addict to maintain sobriety and recovery. Sober living homes offer a path from treatment to independent living by providing alcohol and drug free living environments. They offer peer support for recovery outside the context of treatment. People who live in sober homes are able to maximize the benefits gained from formal treatment while they live with others who support continued abstinence from substance use.

The Department notes that the recent study conducted by the Western Interstate Commission for Higher Education (WICHE) concerning the State's behavioral health needs included a recommendation to direct concentrated efforts towards ensuring that adult consumers have access to affordable, integrated, and supported housing.

The requested funding would allow the Department to contract with an organization to establish 12 to 15 sober living houses statewide, disbursed throughout the state according to need (but with a likely emphasis on rural locations). The locations and regions impacted by the proposed programs would be determined through a statewide selection process based on the local need demonstrated by bidders. These homes would provide stable, drug-free housing for up to 60 people per year who self-identify as being in recovery.

The contracted organization would be responsible for building up the peer support for recovery treatment model within each home. Once each home is established and occupied, rent and fees paid by the occupants would serve to replenish the funding used to start the home, subsequently freeing that money up to start another home. The following table details the components of the request for FY 2016-17 as well as ongoing funding requested for FY 2017-18.

*JBC Staff Figure Setting: FY 2016-17*  
*Staff Working Document – Does Not Represent Committee Decision*

<b>Summary of Request for R12: Sober Living Homes</b>			
Description	FY 2016-17	FY 2017-18	Annual Change
<b><u>Office of Behavioral Health</u></b>			
<b><i>Integrated Behavioral Health</i></b>			
Community Transition Services			
Program coordinator (3.5 positions at \$41,000)	\$143,500	\$143,500	\$0
Fringe (25 percent of salary)	35,875	35,875	0
Operating and travel expenses	15,750	15,750	0
Startup costs (deposits, application fees, common furnishings)	104,875	0	(104,875)
<b>Total Cash Funds</b>	<b>\$300,000</b>	<b>\$195,125</b>	<b>(\$104,875)</b>

The Department expects a three to six month implementation period to develop and release a request for proposal and establish a contracted organization. The contractor would have an additional three to six months to start up the recovery homes by researching and locating properties, communicating and outreaching with local service providers for referrals, and coordinating efforts with potential residents and landlords or property management agencies. The Program Coordinator would: locate an appropriate house; provide security deposits and rental payments until residents move in; locate residents by working with local treatment programs and recovery groups; negotiate a lease between the landlord and residents; and set up an accounting system to manage each house. Once established, the house would run itself and the Program Coordinator would move on to establish the next house. Once each home is established and occupied, rent and fees paid by occupants serve to replenish the funding used to start the home, subsequently freeing that money up to start another home.

The Department identifies the following essential characteristics of sober living:

- an alcohol and drug-free living environment for individuals attempting to abstain from alcohol and drugs;
- participation in self-help and recovery support groups is either strongly encouraged or required as a component of the agreement to live in the home;
- house rules dictate such things as maintaining abstinence, paying rent and other fees, participating in house chores, and attending house meetings;
- residents are responsible for paying rent and other costs; and
- residents can typically stay as long as they want as long as they follow house rules and pay their share of utility costs and expenses related to the residence.

The Department anticipates that the creation of sober living homes will reduce the need for residential treatment for individuals with chronic and severe substance use disorders. The Department plans to track the following program outcomes:

- time between receipt of funding and signed lease for each house;
- time between signing of lease and move-in for residents; and
- stability of home at six months, one year, and two years post start up.

The Department indicates that the Sober Living Homes program is not included in the Results First model as an evidence-based practice. However, the Colorado Results First team reviewed research on this program for the purpose of this request and found positive initial research on the program. A five-year study funded by the National Institute of Health examined sober living houses, and emphasized both the importance of one's living environment in recovery and the positive effects of sober living homes. Another study, funded by the National Institute on Drug Abuse suggests that the environment at Oxford Houses serve to improve residents' "abstinence self-efficacy" and assist them in reducing the probability of a relapse.

Staff recommends denying this request for two reasons. First, under current law, moneys in the MTCF may be appropriated for the following purposes relevant to substance use disorder services<sup>3</sup>:

- To educate people about marijuana to prevent its illegal use or legal abuse;
- To treat people with any type of substance-abuse disorder, especially those with co-occurring disorders; and
- For jail-based and other behavioral health services for persons involved in the criminal justice system through the correctional treatment cash fund created in section 18-19-103 (4) (a), C.R.S.

The proposed use of MTCF money to create a statewide program of consumer-run sober living homes does not appear to fall under any of the above categories. Should the Committee choose to fund this request, staff suggests two options. First, the Committee could choose to introduce legislation to authorize the use of the MTCF for the proposed purpose. Second, the Committee could choose to appropriate \$300,000 from the MTCF for substance use disorder treatment services provided through the MSOs (through the existing Treatment and Detoxification Contracts line item appropriation). The Committee could then redirect \$300,000 from the existing General Fund appropriation for Treatment and Detoxification Contracts for the Department to spend as proposed through this R12.

Staff's second concern is about the proposed method of allocating funding. The Department has requested that the funding be added to the "Community Transition Services" line item (in subsection (D) of this division). The Department plans to contract with an organization to establish 12 to 15 sober living houses statewide, disbursed throughout the state according to need. The Department indicates that the locations and regions where these houses would be established "would be determined through a statewide selection process based on the local need demonstrated by bidders", but would likely emphasize rural locations. Staff believes that it is unlikely that a request for proposal process will accurately identify those areas with the greatest need for sober living homes. It seems more likely that a successful bidder would have experience working in an area where these homes have already been developed. Given the relatively small amount of requested funding, it does not seem likely that approval of this request would lead to a "statewide program" of sober living homes.

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<sup>3</sup> See Section 39-28.8-501 (2) (b) (IV), C.R.S.

In addition, the proposed contracting method would increase the administrative burden on Department staff. The Committee recently approved a request from the Office of Behavioral Health for funding to add 3.0 FTE contract monitoring staff (see the discussion of R14/BA6, below). The Department provided a table listing several programs and appropriations that have been added in recent years, which increase the number of contracts the Office is required to secure and monitor each year. Particularly in the area of substance use treatment and prevention, the existing appropriation structure and the Department's approach to administering these appropriations requires multiple annual, small dollar contracts. This approach is overly burdensome for both the Department and those entities it contracts with. Approval of this request would simply exacerbate this situation.

Staff notes that the Department is already planning to reduce the amount of federal block grant funding available for substance use treatment services to increase the amount of funding available for recovery support and prevention and early intervention services. Specifically, for FY 2016-17, the Department plans to reduce federal block grant funding for treatment services by \$1,734,000, and increase funding for recovery support services (by \$867,000) and for prevention and early intervention services (by \$867,000).

Finally, staff notes that during the briefing and hearing process last Fall, the Committee raised questions about how this proposal compares to the Fort Lyon Supportive Housing Program and other affordable housing programs administered by the Department of Local Affairs (DOLA). Staff followed up with DOLA, and received a response indicating that there is not a strong nexus between the proposed sober living homes program and DOLA's current housing programs. Generally, DOLA's affordable housing programs either involve: (a) partnering with builders and developers to increase the supply of affordable housing; or (b) providing housing vouchers to transfer eligible candidates from homeless shelters or state-managed institutions into affordable housing. The sober living homes program is primarily a step-down program for any individual seeking recovery, and is not targeted toward homeless individuals. While Fort Lyon does provide recovery-oriented support groups and connection to community-based substance abuse treatment, this aspect of the program is managed by the Colorado Coalition for the Homeless and is not a typical part of DOLA's statutory mission regarding affordable housing. The Department of Human Services already manages several treatment programs and group homes within its budget and would be the most qualified to implement the sober living homes program.

**➔ R13 Supported Employment for People With Severe SUD**

*Request:* The Department requests \$500,000 cash funds from the Marijuana Tax Cash Fund (MTCF) for FY 2016-17 to implement evidence-based supported employment programs to serve individuals with severe substance use disorders. This request is intended to allow specialized substance use disorder treatment agencies that are not Community Mental Health Centers (Centers) to offer these services to their clients. The requested funding would support two contracted Employment Specialists at five sites to provide evidence-based supported employment services.

*Recommendation:* Staff recommends denying the request due to: (1) a lack of statutory authority to utilize money in the MTCF for the proposed program; and (2) concerns about the proposed method of allocating funding.

*Analysis:*

The Department indicates that work provides significant support in the recovery from co-occurring severe mental health and substance use disorders. Clients who want to work but cannot find work on their own are at a higher risk of recidivism, poor treatment outcomes, and the need for higher levels of care.

The Department indicates that Colorado has an evidence-based model of supported employment services called "Individual Placement and Support (IPS)" which has been implemented at 11 of 17 Centers. Federal funding that expired September 30, 2015 funded three sites; and federal funding that expires in September 2017 is currently supporting another eight sites. The main principles of the IPS model include the following:

- helping clients find real jobs in the community rather than jobs reserved for individuals with disabilities
- no exclusion based on symptom severity or type;
- close coordination between IPS staff and treatment staff;
- a focus on the type of work the individual can and wants to do;
- work incentives planning to help the individual understand how income from work may affect their benefits;
- direct contact with potential employers within 30 days;
- direct work with potential employers to find the best fit for the job; and
- the offer of continued services as long as the individual needs in order to remain stable on the job.

While the Centers provide this service to clients experiencing severe mental health disorders, at this time there are no substance use disorder treatment agencies delivering supported employment services. This service is not reimbursed by the Medicaid program or private health insurance. While the Department plans to refer IPS clients to the Division of Vocational Rehabilitation to receive supplemental services where appropriate, the Department indicates that the IPS model cannot be implemented to fidelity by that division because of limitations related to length of service delivery, eligibility criteria, and the requirement that a program be offered statewide.

The Department notes that the recent study conducted by the Western Interstate Commission for Higher Education (WICHE) concerning the State's behavioral health needs included a recommendation to continue the implementation and expansion of the individual placement and support model of supported employment as an evidence-based practice.

The Department indicates that supportive employment is an evidence-based practice, and providers of the service need specific training and ongoing mentoring and monitoring. The Department reports that from April 2011 through June 2015, the Centers provided services to 576 clients, with rates of employment among clients rising from 19 percent to 35 percent after

implementation of the IPS program. The Department indicates that it would measure the success of the proposed program based on the following outcomes:

- Increase in employment status;
- Decrease in alcohol and drug use or continued no use of alcohol and drugs;
- Overall recovery rating would maintain or improve; and
- Overall level of functioning would improve.

The requested funding is intended to support two contracted Employment Specialists at five sites to provide evidence-based IPS supported employment to approximately 30 clients per Specialist per year, serving a total of 300 clients per year. At cost of approximately \$1,700 per client, this compares to a residential treatment cost of approximately \$200 per day or \$6,000 per month for people who are receiving residential care for the same diagnoses as those of the IPS participants.

While staff is supportive of the services the Department is promoting through this request, staff recommends denying this request for two reasons. First, under current law, moneys in the MTCF may be appropriated for the following purposes relevant to substance use-related services<sup>4</sup>:

- To educate people about marijuana to prevent its illegal use or legal abuse;
- To treat people with any type of substance-abuse disorder, especially those with co-occurring disorders; and
- For jail-based and other behavioral health services for persons involved in the criminal justice system through the correctional treatment cash fund created in section 18-19-103 (4) (a), C.R.S.

The proposed use of MTCF money to provide supported employment services to individuals with severe substance use disorders does not appear to fall under any of the above categories. Should the Committee choose to fund this request, staff suggests two options to address this issue. First, the Committee could choose to introduce legislation to broaden the authorized uses of the MTCF to cover these types of supportive services. Second, the Committee could choose to appropriate \$500,000 from the MTCF for substance use disorder treatment services provided through the MSOs (through the existing Treatment and Detoxification Contracts line item appropriation). The Committee could then redirect \$500,000 from the existing General Fund appropriation for Treatment and Detoxification Contracts for the Department to spend as proposed through this R13.

Staff's second concern about the request is the proposed method of allocating funding. The Department has requested that the funding be added to the "Community Transition Services" line item (in subsection (D) of this division). The Department plans to issue a statewide request for proposal, and enter into one or more contracts to support ten Employment Specialists at five sites. The selected sites may or may not be connected to the existing provider networks that are responsible for offering a continuum of services for individuals with substance use disorders. The Department notes that one of the key principles of the IPS model is close coordination between IPS staff and treatment staff. Yet the Department is proposing that these funds be

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<sup>4</sup> See Section 39-28.8-501 (2) (b) (IV), C.R.S.

allocated through a contracting process that is separate from its core contracts with managed service organizations (MSOs). The Department contracts with four MSOs to ensure that a full continuum of quality substance use-related services is available in seven geographic regions.<sup>5</sup> The statutory framework for behavioral health services emphasizes coordination, integration, the development of a continuum of community-based services, and the development of systems of care that best meet the needs of individuals, families, and communities. The Department's plan for allocating these funds is not consistent with this framework.

In addition to the impact on the continuum of care and the continuity of care for the clients served, the proposed contracting method would increase the administrative burden on Department staff. The Committee recently approved a request from the Office of Behavioral Health for funding to add 3.0 FTE contract monitoring staff (see the discussion of R14/BA6, below). The Department provided a table listing several programs and appropriations that have been added in recent years that increase the number of contracts the Office is required to secure and monitor each year. Particularly in the area of substance use treatment and prevention, the existing appropriation structure and the Department's approach to administering these appropriations requires multiple annual, small dollar contracts. This approach is overly burdensome for both the Department and those entities it contracts with. Approval of this request would simply exacerbate this situation.

**➔ R14/BA6 Behavioral Health Crisis Services Staffing**

*Request:* The Department requests \$221,325 General Fund and 3.0 FTE to provide continuation funding for three staff positions that were recently approved to be added April 1, 2016 (S11). The additional staff will expand from one to four the number of employees overseeing the statewide behavioral health crisis system contracts. The additional staff will expand the Office of Behavioral Health's capacity for: fiscal monitoring and oversight; data integrity and evaluation; and quality assurance and monitoring. In order to offset the cost of adding these staff, the Department requests a reduction of \$221,325 in the General Fund appropriation for behavioral health crisis response system services provided through Community Mental Health Centers.

*Recommendation:* Consistent with the Committee's action on the associated supplemental request, staff recommends approving the request for continuation funding. However, staff does not recommend approving the reduction of \$221,325 to offset the cost of the new staff.

*Analysis:*

The following table details the amount requested (and approved) for FY 2015-16, and the associated request for FY 2016-17.

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<sup>5</sup> See Section 27-80-107, C.R.S.

*JBC Staff Figure Setting: FY 2016-17*  
*Staff Working Document – Does Not Represent Committee Decision*

<b>Summary of Request for S11 and R14/BA6: Behavioral Health Crisis Services Staffing</b>			
Description	Approved Adjustments for FY 2015-16	Request for FY 2016-17	Annual Change
<b><u>Executive Director's Office</u></b>			
<b><i>General Administration</i></b>			
Health, Life, and Dental	\$3,964	\$23,781	\$19,817
Short-term Disability	61	305	244
S.B. 04-257 AED	1,540	7,702	6,162
S.B. 06-235 SAED	<u>1,524</u>	<u>7,622</u>	<u>6,098</u>
Subtotal	7,089	39,410	32,321
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<b><u>Office of Behavioral Health</u></b>			
<b><i>Community Behavioral Health Administration</i></b>			
Personal Services	35,812	179,065	143,253
FTE	0.6	3.0	2.4
Operating Expenses	<u>16,959</u>	<u>2,850</u>	<u>(14,109)</u>
Subtotal	52,771	181,915	129,144
FTE	0.6	3.0	2.4
<b><i>Integrated Behavioral Health</i></b>			
Crisis Response System - Walk-in, Stabilization, Mobile, Residential, and Respite Services	(59,860)	(221,325)	(161,465)
<b>Total General Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>FTE</b>	<b>0.6</b>	<b>3.0</b>	<b>2.4</b>

As part of its initial budget request last November, the Department indicated that \$1,384,980 of the \$22,952,410 appropriation for FY 2015-16 for the "Crisis Response System – Walk-in, Stabilization, Mobile, and Residential and Respite Services" line item remained unobligated following the contract awards. This gap between the appropriation and the initial contract awards was due to the contract bids that were submitted as well as the timing of the provider rate increase approved by the General Assembly. Over the course of November and December, the Department worked with the Crisis System contractors to identify additional needs and the contracts were modified accordingly. As of January 4, 2016, only \$69,227 of the FY 2015-16 appropriation remained unobligated.

Staff recommended the requested offset for FY 2015-16 because it represented funds that would otherwise revert at the end of the fiscal year. The requested offset for FY 2016-17 would require a reduction in the total amount of funding currently available for the provision of behavioral health crisis services. Staff is not comfortable increasing funding for Department oversight of crisis system contractors at the expense of funding for the provision of crisis services. Thus, staff recommends not approving the requested offset for FY 2016-17.

**➔ R19 Community Provider Rate Adjustment**

*Request:* The Department's request includes a reduction of \$1,072,130 (including \$1,045,853 General Fund) for a 1.0 percent provider rate decrease for line items within the Behavioral Health Services section of the budget.

*Recommendation:* Consistent with the Committee's common policy, staff's recommendations do not include any funding change related to provider rates. For informational purposes, the following table details the requested funding reductions by line item and fund source.

Requested Adjustments for 1.0% Decrease in Provider Rates					
FY 2016-17 Information Concerning Behavioral Health Providers		FY 2016-17 Provider Rate Adjustment			
Long Bill Subsection/Line Items Subject to Community Provider Rate Increase	Brief Description of Service Provider(s)	Total Funds	General Fund	Cash Fund	Reappropriated Funds
<b><u>(8) Behavioral Health Services</u></b>					
<b><i>(B) Mental Health Community Programs</i></b>					
Services for Indigent Mentally Ill Clients	Community Mental Health Centers	(\$310,395)	(\$310,395)	\$0	\$0
Medications for Indigent Mentally Ill Clients	Community Mental Health Centers	(15,544)	(15,544)	0	0
School-based Mental Health Services	Community Mental Health Centers	(12,133)	(12,133)	0	0
Assertive Community Treatment Programs	Community Mental Health Centers	(54,896)	(48,036)	(6,860)	0
Alternatives to Inpatient Hospitalization at a Mental Health Institute	Community Mental Health Centers	(33,375)	(33,375)	0	0
Mental Health Treatment Services for Youth (H.B. 99-1116)	Community Mental Health Centers	(7,788)	(6,552)	0	(1,236)
	<b>subtotal - (B) Mental Health Community Programs</b>	<b>(434,131)</b>	<b>(426,035)</b>	<b>(6,860)</b>	<b>(1,236)</b>
<b><i>(C) Substance Use Treatment and Prevention</i></b>					
Treatment and Detoxification Contracts	MSOs and local substance abuse treatment providers	(120,550)	(120,550)	0	0
Case Management for Chronic Detoxification Clients	Arapahoe House	(26)	(26)	0	0
Short-term Intensive Residential Remediation and Treatment (STIRRT)	3 local substance abuse treatment providers	(31,465)	(31,465)	0	0
High Risk Pregnant Women Program	Local substance abuse treatment providers	(16,000)	0	0	(16,000)
Prevention Contracts	MSOs and local substance abuse treatment providers	(351)	(351)	0	0
Balance of Substance Abuse Block Grant Programs	Local substance abuse treatment and prevention providers	(1,977)	(1,977)	0	0
	<b>subtotal - (C) Substance Use Treatment and Prevention</b>	<b>(170,369)</b>	<b>(154,369)</b>	<b>0</b>	<b>(16,000)</b>
<b><i>(D) Integrated Behavioral Health Services</i></b>					
Crisis Response System - Walk-in, Stabilization, Mobile, Residential, and Respite Services	Four consortiums of community mental health centers	(229,524)	(229,524)	0	0
Crisis Response System - Telephone Hotline	Metro Crisis Services, Inc.	(23,959)	(23,959)	0	0
Community Transition Services	Behavioral Healthcare Inc. (behavioral health organization for Adams, Arapahoe, and Douglas counties)	(51,479)	(51,479)	0	0
Rural Co-occurring Disorder Services	Crossroads' Turning Point, Inc.	(10,212)	(10,212)	0	0
	<b>subtotal - (D) Integrated Behavioral Health Services</b>	<b>(315,174)</b>	<b>(315,174)</b>	<b>0</b>	<b>0</b>

*JBC Staff Figure Setting: FY 2016-17  
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<b>Requested Adjustments for 1.0% Decrease in Provider Rates</b>					
<b>FY 2016-17 Information Concerning Behavioral Health Providers</b>			<b>FY 2016-17 Provider Rate Adjustment</b>		
<b>Long Bill Subsection/Line Items Subject to Community Provider Rate Increase</b>	<b>Brief Description of Service Provider(s)</b>	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Fund</b>	<b>Reappropriated Funds</b>
<i>(E) Mental Health Institutes</i>					
<u>CMHIFL - Personal Services</u>					
Psychiatrists and medical staff	Employees of the University of Colorado at Denver	(37,488)	(37,488)	0	0
Trauma informed care providers	Behavioral Healthcare Inc.	<u>(1,249)</u>	<u>(1,249)</u>	<u>0</u>	<u>0</u>
<b>subtotal - CMHIFL Personal Services</b>		<b>(38,737)</b>	<b>(38,737)</b>	<b>0</b>	<b>0</b>
<u>CMHIP - Personal Services</u>					
Psychiatrists and medical staff	Employees of the University of Colorado at Denver	(84,311)	(84,311)	0	0
Trauma informed care providers	Behavioral Healthcare Inc.	<u>(2,535)</u>	<u>(2,535)</u>	<u>0</u>	<u>0</u>
<b>subtotal - CMHIP Personal Services</b>		<b>(86,846)</b>	<b>(86,846)</b>	<b>0</b>	<b>0</b>
Jail-based Restoration Program	Correct Care, LLC (formerly GEO Care)	(24,692)	(24,692)	0	0
Circle Program	Employees of the University of Colorado at Denver	<u>(2,181)</u>	<u>0</u>	<u>(2,181)</u>	<u>0</u>
	<b>subtotal - (E) Mental Health Institutes</b>	<b>(152,456)</b>	<b>(150,275)</b>	<b>(2,181)</b>	<b>0</b>
<b>Total for Behavioral Health Services</b>		<b>(\$1,072,130)</b>	<b>(\$1,045,853)</b>	<b>(\$9,041)</b>	<b>(\$17,236)</b>

**➔ BA2 Gambling Addiction Program Spending Authority**

*Request:* The Department submitted a request for "continuous spending authority from the Gambling Addiction Account for FY 2015-16, FY 2016-17 and beyond in the amount of \$169,000 in order to address recommendations from [a recent performance audit]". The Department also requested a statutory change to provide ongoing continuous spending authority from the Gambling Addiction Account.

*Staff Recommendation:* Consistent with Committee action on the associated supplemental request for FY 2015-16, staff recommends appropriating funds directly from the Gambling Addiction Account within the Local Government Limited Gaming Impact Fund rather than appropriating reappropriated funds transferred from the Department of Local Affairs (DOLA). This change clarifies the source of funding for this program and eliminates the need for accounting entries to transfer money from DOLA to DHS. Staff does not recommend introducing or supporting a bill to "continuously appropriate" moneys in the Gambling Addiction Account to DHS.

For FY 2016-17, staff recommends appropriating \$100,000 cash funds, which is the amount of new revenue available for the program for FY 2016-17. Through the supplemental bill (H.B. 16-1242), the General Assembly has authorized the Department to spend down a balance of \$169,000 in the Gambling Addiction Account over a 15 month period through June 30, 2017. These moneys will be used to address several recommendations that were included in a recent performance audit report released by the Office of the State Auditor in August 2015.

**➔ BA4 Mental Health Institute Revenue Adjustments**

*Request:* The Department requests adjustments to appropriations for the mental health institutes to reflect updated revenue estimates and to ensure that both institutes have sufficient resources to cover operational expenses. These adjustments increase direct General Fund appropriations to the Department of Human Services (DHS) by \$544,079. In addition, the adjustments include an increase in the amount of Medicaid funds transferred from the Department of Health Care Policy and Financing (HCPF), so the request increases total General Fund appropriations to both departments by \$1,141,679. The Department submitted this request as a mid-year adjustment for FY 2015-16, with continuation of the requested adjustments for FY 2016-17 (with minor changes based on the applicable Medicaid federal match rate).

*Recommendation:* Staff's recommendation is consistent with Committee action on the associated supplemental request for FY 2015-16, with two adjustments: (1) a minor fund source adjustment based on the applicable federal Medicaid matching rate for FY 2016-17; and (2) an additional adjustment to correctly reflect moneys received from the Judicial Department as duplicated appropriations. The Department is aware of and supports these adjustments.

As detailed in the following table, the recommendation equals a net change of zero total funds for the DHS budget. The recommendation also includes an increase of \$1,200,000 total funds (including \$590,520 General Fund) for corresponding line item appropriations in the HCPF budget. The result is an overall General Fund increase of \$1,141,679.

*JBC Staff Figure Setting: FY 2016-17*  
*Staff Working Document – Does Not Represent Committee Decision*

<b>Mental Health Institutes Revenue Adjustment Recommendation for DHS: FY 2016-17</b>											
Fund Source	MHI - Fort Logan				MHI - Pueblo					Office of Operations	Total Adjustments
	Personal Services	Operating Expenses	Pharmaceuticals	Subtotal	Personal Services	Operating Expenses	Pharmaceuticals	Circle Program	Subtotal		
<b>TOTAL FUNDS</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
General Fund	(83,756)	(4,823)	(6,075)	(94,654)	567,109	45,599	26,025	0	638,733	0	544,079
Cash Funds (Patient Revenues)	226,228	13,026	16,410	255,664	(927,312)	(74,562)	(42,554)	0	(1,044,428)	0	(788,764)
Reappropriated Funds:											
Transfer from HCPF - Medicaid funds	0	0	0	0	575,548	66,900	44,604	6,928	693,980	506,020	1,200,000
Transfer from HCPF - BHO payments	(142,472)	(8,203)	(10,335)	(161,010)	(215,345)	(37,937)	(28,075)	(6,928)	(288,285)	(506,020)	(955,315)
Transfer from DOC	0	0	0	0	0	0	0	0	0	0	0
Transfer from CDE	0	0	0	0	0	0	0	0	0	0	0
Subtotal: RF	(142,472)	(8,203)	(10,335)	(161,010)	360,203	28,963	16,529	0	405,695	0	244,685
<i>Net General Fund</i>	<i>(83,756)</i>	<i>(4,823)</i>	<i>(6,075)</i>	<i>(94,654)</i>	<i>853,732</i>	<i>78,915</i>	<i>48,238</i>	<i>3,450</i>	<i>984,335</i>	<i>251,998</i>	<i>1,141,679</i>

As detailed in the following table, staff recommends continuing to reflect adjustments to two line items appropriations to HCPF (rather than one, as requested) to more accurately reflect the proposed allocation of Medicaid revenues within the DHS budget. Staff at DHS are aware of and support these changes.

<b>Department of Health Care Policy and Financing</b>	<b>FY 2016-17 Request</b>	<b>FY 2016-17 Recommendation</b>
<b>(7) Department of Human Services Medicaid-funded Programs</b>		
<b>Total: (C) Office of Operations – Medicaid Funding</b>	<b><u>\$0</u></b>	<b><u>\$506,020</u></b>
General Fund	0	251,998
Federal Funds	0	254,022
<b>Total: (F) Behavioral Health Services – Medicaid Funding, Mental Health Institutes</b>	<b><u>\$1,200,000</u></b>	<b><u>\$693,980</u></b>
General Fund	597,600	345,602
Federal Funds	602,400	348,378
<b>Total: HCPF</b>	<b><u>\$1,200,000</u></b>	<b><u>\$1,200,000</u></b>
General Fund	597,600	597,600
Federal Funds	602,400	602,400

Finally, staff recommends making an additional fund source adjustment to more accurately reflect the payments received from the Judicial Department for court-ordered inpatient competency evaluations. Under current law, the Judicial Department is required to pay a daily rate to the DHS for individuals for whom the court has ordered an inpatient competency evaluation. These revenues are currently reflected as cash funds (patient revenues) in the DHS appropriations to the Colorado Mental Health Institute at Pueblo. As these funds are first appropriated to the Judicial Department (a General Fund appropriation to the "Court Costs, Jury Costs, and Court-appointed Counsel" line item in the Trial Courts section), they should instead be reflected as reappropriated funds in the DHS budget. Staff thus recommends reducing the cash funds appropriation from patient revenues by \$368,000 and increasing the reappropriated funds amount by \$368,000. Both the DHS and Judicial Department staff are aware of and support this recommendation.

**➔ BA5 Mental Health Institute Pharmaceutical Funding**

*Request:* The Department requests an increase of \$656,050 General Fund for the Colorado Mental Health Institute at Pueblo (CMHIP) for the purchase of medications for patients. The Department submitted this request as a mid-year adjustment for FY 2015-16, with continuation of the requested increase for FY 2016-17.

*Staff Recommendation:* Consistent with Committee action on the associated supplemental request for FY 2015-16, staff's recommendation includes continuation of the requested \$656,050 General Fund increase.

*Staff Analysis:* The Pharmaceuticals line item appropriation for each mental health institute covers the cost of purchasing medications for institute patients, including psychiatric medications, over-the-counter medications, and medications for specific medical conditions. The Department indicates that pharmaceutical expenses are difficult to forecast due to variability in: the needs and acuity level of patients; utilization of medications; prescription drug prices; the availability of generic medications; and whether the medication is administered by pill or injection.

The Department has requested an increase of \$656,050 General Fund to cover higher than anticipated pharmaceutical expenses at CMHIP. The Department indicates that the increase in expenditures is driven by both the utilization and costs of name brand and generic formulations. The Department requested a similar mid-year increase for FY 2014-15 (\$795,194), but at that time it did not request that the increase be sustained for FY 2015-16 based on the data that was available at that time. The Department indicated that it planned to monitor pharmaceutical costs and request additional funding through a supplemental, if necessary. The Department is now requesting a mid-year increase of \$656,050 for FY 2015-16, and continuation of this increase for FY 2016-17.

Over the last six years, actual expenditures have ranged from \$2.9 million in FY 2012-13 to \$3.9 million on FY 2010-11. The projected expenditures for the current year (\$3.8 million) fall within this range. The request is based on actual expenditures for the first four months of FY 2015-16, using a straight line projection for the remaining eight months of the fiscal year. The Department's projection for FY 2015-16 appears reasonable in the context of historical and recent expenditures. Staff thus recommends making the requested adjustments to ensure that the CMHIP has sufficient funding to cover pharmaceutical expenditures, and providing continuation funding for FY 2016-17.

**➔ BA7 Technical Correction to DOC Transfer Spending Authority**

*Request:* The Department requests the transfer of an appropriation (\$134,175 reappropriated funds) from the Behavioral Health Services section to the Office of Operations to correct a technical error. The Department submitted this request as a mid-year adjustment for FY 2015-16, with continuation of the requested adjustments for FY 2016-17.

*Recommendation:* Staff's recommendation is consistent with Committee action on the associated supplemental request for FY 2015-16.

*Staff Analysis:* This request corrects an error in the FY 2015-16 Long Bill. Last year, the Department of Corrections (DOC) submitted a request (R7) that included funding to pay for building repair and maintenance, equipment replacement, and variable mileage expense for facilities on the campus of the Colorado Mental Health Institute at Pueblo (CMHIP). The Department of Human Services (DHS) submitted a corresponding request (NP3) so that it has the

authority to spend funds received from DOC. The Department made an error, and requested this spending authority for the CMHIP Operating Expenses line item, rather than for the Office of Operations' Operating Expenses line item. This funding relates to services provided by the Department's Division of Facility Maintenance, and thus the spending authority should be included in the Office of Operations.

**➔ BA10 Mental Health Institutes Electronic Health Record Funding Adjustment**

*Request:* The Department requests a one-time shift of funding in FY 2016-17 related to the implementation of the electronic health record (EHR) system at the mental health institutes. Specifically, the request seeks an increase of \$771,000 General Fund for the institutes to pay for contract nursing staff and overtime for nursing staff to attend mandatory training for the new EHR system. The Department also requests an offsetting decrease in the appropriation for the ongoing development and enhancement of the system.

*Recommendation:* Consistent with Committee action on February 24, 2016, the staff recommendation includes the one-time increase of \$771,000 General Fund for Personal Services (\$189,000 for Fort Logan and \$582,000 General Fund for Pueblo) for FY 2016-17.

**➔ NP3 DOC Food Service Inflation**

*Request:* The Department's request includes \$45,977 reappropriated funds transferred from the Department of Corrections (DOC) to cover an increase in the cost of preparing meals for DOC facilities located on the Pueblo campus: Youthful Offender System; La Vista Correctional Facility, and San Carlos Correctional Facility. The request is based on a 2.0 percent increase in raw food costs, as well as the cost of providing meals for an additional 16 female offenders at La Vista. The additional funds are reflected in the Operating Expenses line item for the Colorado Mental Health Institute at Pueblo.

*Recommendation:* This request will be addressed by Steve Allen on March 16, 2016, as part of his figure setting recommendations for DOC. Staff's recommendation in this packet reflects the requested amount. Staff will ultimately include an amount that is consistent with the Committee's action on this request.

**➔ JBC Staff-initiated Federal Funds Update**

*Request:* This is a staff-initiated change and was not requested by the Department.

*Recommendation:* Staff recommends updating the amount of federal funds reflected in this section of the budget to more accurately reflect anticipated expenditures. The recommendations are based on information provided by the Department in response to a staff inquiry.

The following table provides a recent history of actual expenditures of federal funds, the current amounts reflected in the Long Bill, and the requested and recommended amounts for FY 2016-17. The total amount of federal funds recommended for FY 2016-17 is only \$42,599 lower than the FY 2015-16 appropriation (a change of less than one percent). However, the recommendation reflects significant shifts between line items.

*JBC Staff Figure Setting: FY 2016-17*  
*Staff Working Document – Does Not Represent Committee Decision*

<b>Recommended Adjustments to Federal Funds Amounts</b>						
<b>Subsection and Line Item</b>	<b>FY 2013-14 Actual Expenditures</b>	<b>FY 2014-15 Actual Expenditures</b>	<b>FY 2015-16 Appropriation</b>	<b>FY 2016-17 Request</b>	<b>FY 2016-17 Recommendation</b>	<b>Notes</b>
<i>(A) Community Behavioral Health Administration</i>						
Personal Services	\$1,972,764	\$2,002,648	\$2,326,159	\$2,348,514	\$2,348,514	
Operating Expenses	219,806	210,098	217,711	217,711	217,711	
Federal Programs and Grants a/	417,978	8,271	2,567,997	2,567,997	21,000	Existing amount reflects grants no longer available. Updated amount reflects amount remaining from Olmstead grant.
Indirect Cost Assessment	277,309	0	267,581	267,581	267,581	
<i>(B) Mental Health Community Programs</i>						
Services for Indigent Mentally Ill Clients	6,099,902	6,215,186	6,233,569	6,233,569	6,435,392	Updated amount reflects current Mental Health Block Grant award.
<i>(C) Substance Use Treatment and Prevention</i>						
Treatment and Detoxification Contracts	17,772,025	16,408,291	10,347,947	10,347,947	16,729,815	Updated amount reflects current Substance Abuse Prevention and Treatment Block Grant award.
Case Management for Chronic Detoxification Clients	366,883	409,135	366,883	366,883	366,883	
Prevention Contracts	5,335,940	5,278,772	3,826,230	3,826,230	5,447,578	Updated amount reflects current Substance Abuse Prevention and Treatment Block Grant award.
Federal Grants	5,380,355	3,220,975	2,625,422	2,625,422	3,287,818	Updated amount reflects current federal discretionary grant awards, including: Colorado Youth and Family Bridges Grant; the Cooperative Agreement to Benefit Homeless Individuals States Grant; and the Strategic Prevention Framework Partnerships for Success Grant.
Balance of Substance Abuse Block Grant Programs	153,631	40,924	6,485,392	6,485,392	100,000	Updated amount reflects current Substance Abuse Prevention and Treatment Block Grant award.
<i>(E) Mental Health Institutes</i>						
Educational Programs	222,992	36,095	0	0	0	
<b>Total</b>	<b>\$38,219,585</b>	<b>\$33,830,395</b>	<b>\$35,264,891</b>	<b>\$35,287,246</b>	<b>\$35,222,292</b>	

a/ Actual Expenditures for FY 2013-14 includes those recorded for the "Other Federal Grants" line item.

In addition, staff recommends shifting a portion of the General Fund that is currently appropriated as matching funds for the "Balance of Substance Abuse Block Grant" line item appropriation. The Department indicates that \$187,887 of this amount should be transferred with the block grant funds to the "Treatment and Detoxification Contracts" line item as it is part of the existing contractual obligations for such services. The remaining \$9,848 General Fund in the former line item is used to cover operating expenses associated with administering the block grant funds. The Department is aware of and supports this recommended General Fund transfer.

**LINE ITEM DETAIL – BEHAVIORAL HEALTH SERVICES**

**(A) Community Behavioral Health Administration**

Funding in this section supports the administration of community-based mental health and substance use disorder programs and services. This section is primarily supported by the federal Substance Abuse Prevention and Treatment and Community Mental Health Services block grants, General Fund, and transfers from HCPF (originating as General Fund and federal Medicaid funds).

**Personal Services**

This line item provides funding for the personnel and professional services required to administer community-based mental health and substance use disorder programs and services. The table below summarizes the employees funded by this line item.

<b>Staffing Summary</b>	<b>FY 2014-15</b>	<b>FY 2015-16</b>	<b>FY 2016-17</b>	
<b>Community Behavioral Health Administration</b>	<b>Actual</b>	<b>Appropriation</b>	<b>Request</b>	<b>Recomm.</b>
Administrative Support	7.6	9.5	9.5	9.5
Child, Adolescent and Family Programs	0.6	0.6	0.6	0.6
Community Treatment & Recovery Programs (R11)	4.0	4.5	5.0	4.5
Contract and Finance (R11, R14)	6.2	8.2	9.4	9.0
Data and Evaluation (R14)	6.8	8.0	8.8	8.8
Management	2.6	3.4	3.4	3.4
Prevention Programs	3.4	3.1	3.1	3.1
Quality Assurance and Standards (R14)	16.6	19.7	20.5	20.5
Trauma Informed and Integrated Care	<u>1.5</u>	<u>2.2</u>	<u>2.2</u>	<u>2.2</u>
<b>TOTAL</b>	<b>49.3</b>	<b>59.2</b>	<b>62.5</b>	<b>61.6</b>

*Statutory Authority:* Section 26-1-201, C.R.S. [Programs administered and services provided by DHS]; Section 27-60-101, *et seq.*, C.R.S. [Behavioral health crisis response system]; Section 27-66-101, *et seq.*, C.R.S. [Community mental health services]; Section 27-80-101, *et seq.*, C.R.S. [Alcohol and drug abuse – programs and services]; Section 27-80-201, *et seq.*, C.R.S. [Colorado Licensing of Controlled Substances Act]; Section 27-81-101, *et seq.*, C.R.S. [Alcohol abuse, education, prevention, and treatment]; Section 27-82-101, *et seq.*, C.R.S. [Drug abuse prevention, education, and treatment]

*JBC Staff Figure Setting: FY 2016-17*  
*Staff Working Document – Does Not Represent Committee Decision*

*Request:* The Department requests \$5,262,000 total funds (including \$1,659,469 General Fund) and 62.5. The request is impacted by R11 (Intensive residential treatment for SUD) and R14/BA6 (Behavioral health crisis services staffing). The request includes \$94,054 to reflect the allocation of salary increases awarded in FY 2015-16.

*Recommendation:* As detailed in the following table, staff recommends appropriating \$5,204,927 total funds (including \$1,659,469 General Fund) and reflecting 61.6 FTE. Staff's recommendation is \$57,073 lower than the request due to staff's recommendation on R11.

<b>Behavioral Health Services, Community Behavioral Health Administration, Personal Services</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2015-16 Appropriation</b>						
SB 15-234 (Long Bill)	\$4,931,808	\$1,425,472	\$318,090	\$862,087	\$2,326,159	58.6
HB 16-1242 (Supplemental Bill)	<u>35,812</u>	<u>35,812</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.6</u>
<b>TOTAL</b>	<b>\$4,967,620</b>	<b>\$1,461,284</b>	<b>\$318,090</b>	<b>\$862,087</b>	<b>\$2,326,159</b>	<b>59.2</b>
<b>FY 2016-17 Recommended Appropriation</b>						
FY 2015-16 Appropriation	\$4,967,620	\$1,461,284	\$318,090	\$862,087	\$2,326,159	59.2
R11 Intensive residential treatment for SUD	0	0	0	0	0	0.0
R14/BA6 Behavioral health crisis services staffing	143,253	143,253	0	0	0	2.4
Annualize prior year budget action	<u>94,054</u>	<u>54,932</u>	<u>0</u>	<u>16,767</u>	<u>22,355</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$5,204,927</b>	<b>\$1,659,469</b>	<b>\$318,090</b>	<b>\$878,854</b>	<b>\$2,348,514</b>	<b>61.6</b>
<b>Increase/(Decrease)</b>	\$237,307	\$198,185	\$0	\$16,767	\$22,355	2.4
Percentage Change	4.8%	13.6%	0.0%	1.9%	1.0%	4.1%
<b>FY 2016-17 Executive Request:</b>	<b>\$5,262,000</b>	<b>\$1,659,469</b>	<b>\$375,163</b>	<b>\$878,854</b>	<b>\$2,348,514</b>	<b>62.5</b>
Request Above/(Below) Recommendation	\$57,073	\$0	\$57,073	\$0	\$0	0.9

**Operating Expenses**

This appropriation supports operating expenditures for the administration of community-based mental health and substance use disorder programs and services.

*Statutory Authority:* Section 26-1-201, C.R.S. [Programs administered and services provided by DHS]; Section 27-60-101, *et seq.*, C.R.S. [Behavioral health crisis response system]; Section 27-66-101, *et seq.*, C.R.S. [Community mental health services]; Section 27-80-101, *et seq.*, C.R.S. [Alcohol and drug abuse – programs and services]; Section 27-80-201, *et seq.*, C.R.S. [Colorado Licensing of Controlled Substances Act]; Section 27-81-101, *et seq.*, C.R.S. [Alcohol abuse, education, prevention, and treatment]; Section 27-82-101, *et seq.*, C.R.S. [Drug abuse prevention, education, and treatment]

*JBC Staff Figure Setting: FY 2016-17*  
*Staff Working Document – Does Not Represent Committee Decision*

*Request:* The Department requests \$304,041 (including \$22,529 General Fund). The request is impacted by R11 (Intensive residential treatment for SUD) and R14/BA6 (Behavioral health crisis services staffing).

*Recommendation:* As detailed in the following table, staff recommends appropriating \$293,030 total funds (including \$22,539 General Fund). Staff's recommendation is \$11,011 lower than the request due to staff's recommendation on R11.

<b>Behavioral Health Services, Community Behavioral Health Administration, Operating Expenses</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2015-16 Appropriation</b>						
SB 15-234 (Long Bill)	\$290,180	\$19,679	\$36,524	\$16,266	\$217,711	0.0
HB 16-1242 (Supplemental Bill)	<u>16,959</u>	<u>16,959</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$307,139</b>	<b>\$36,638</b>	<b>\$36,524</b>	<b>\$16,266</b>	<b>\$217,711</b>	<b>0.0</b>
<b>FY 2016-17 Recommended Appropriation</b>						
FY 2015-16 Appropriation	\$307,139	\$36,638	\$36,524	\$16,266	\$217,711	0.0
R11 Intensive residential treatment for SUD	0	0	0	0	0	0.0
R14/BA6 Behavioral health crisis services staffing	<u>(14,109)</u>	<u>(14,109)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$293,030</b>	<b>\$22,529</b>	<b>\$36,524</b>	<b>\$16,266</b>	<b>\$217,711</b>	<b>0.0</b>
<b>Increase/(Decrease)</b>	(\$14,109)	(\$14,109)	\$0	\$0	\$0	0.0
Percentage Change	(4.6%)	(38.5%)	0.0%	0.0%	0.0%	0.0%
<b>FY 2016-17 Executive Request:</b>	<b>\$304,041</b>	<b>\$22,529</b>	<b>\$47,535</b>	<b>\$16,266</b>	<b>\$217,711</b>	<b>0.0</b>
Request Above/(Below) Recommendation	\$11,011	\$0	\$11,011	\$0	\$0	0.0

**Federal Programs and Grants**

This line item reflects a variety of federal discretionary mental health grants that are administered by the Office of Behavioral Health. Since FY 2014-15, this line item has also included federal discretionary substance use prevention and treatment grants that are administered by the Office of Behavioral Health; these amounts were previously reflected in a line item titled "Other Federal Grants".

*Statutory Authority:* Section 27-66-106 [Community mental health services – federal grants-in-aid]; Section 27-80-109, C.R.S. [Alcohol and drug abuse – coordination of state and federal funds and programs]; Section 27-90-109, C.R.S. [DHS institutions – gifts and grants]

*Request:* The Department requests a continuation level of \$2,567,997 federal funds and 1.5 FTE.

*Recommendation:* Staff recommends reflecting \$21,000 and 0.0 FTE for FY 2016-17. See the discussion of the JBC Staff-initiated Federal Funds Update at the beginning of this packet for more information.

**Indirect Cost Assessment**

This line item reflects the moneys anticipated to be recovered from cash and federal fund sources that allow for statewide and departmental indirect administrative costs.

*Statutory Authority:* Colorado Fiscal Rules #8-3; Section 24-75-1401, C.R.S. [Indirect Costs Excess Recovery Fund]

*Request:* The Department requests a continuation level of funding (\$270,861 total funds).

*Recommendation:* Staff's recommendation for this line item is pending. Staff will ultimately reflect the amount approved by the Committee once Megan Davisson presents recommendations for the Department as a whole.

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## **(B) Mental Health Community Programs**

This section provides funding to support mental health services that are delivered through local community providers. This section is primarily supported by General Fund, the federal Community Mental Health Services block grant, and tobacco litigation settlement moneys that are credited to the Offender Mental Health Services Fund.

### **Services for Indigent Mentally Ill Clients**

This line item supports contracts for the provision of mental health services for low income individuals. The Office of Behavioral Health contracts with 17 community mental health centers (Centers) across the state to provide mental health services that are not otherwise available. Each Center is responsible for providing a set of core services including:

- assessment;
- rehabilitation;
- emergency services;
- clinical treatment services;
- residential services;
- inpatient services;
- vocational services;
- psychiatric/medication management;
- interagency consultation;
- public education;
- consumer advocacy and family support;
- case management; and
- day treatment, home-based family support, and/or residential support services.

Each Center has access to a certain number of inpatient beds at one of the mental health institutes, and is responsible for managing admissions to the allotted beds for adults within their service area. These allotted inpatient beds are funded through the Mental Health Institutes subsection. [Please note that the number of beds available for these "civil" patients has been negatively impacted by the increasing number of court orders for inpatient competency evaluations.] If a Center requires additional inpatient beds for adults within their service area, it must purchase the services directly from other public or private hospitals.

Unlike the Medicaid program, mental health services provided through the Center contracts are not an entitlement. Thus, the number of individuals receiving services and the level of services provided is directly affected by the level of available funding. For FY 2015-16, the appropriation included the following fund sources:

- General Fund (\$31,039,452);
- the federal CMHS block grant (\$5,459,809);
- the federal Projects for Assistance in Transition from Homelessness (PATH) grant (\$773,760); and
- reappropriated funds transferred from the Department's Division of Vocational Rehabilitation (\$161,909).

In addition to allocations to each Center for the provision of mental health services to indigent mentally ill clients (a total of \$22,998,239 General Fund for FY 2015-16), this line item includes state funding for four specific services:

- Funding is allocated to the Mental Health Center of Denver for the "AIM" program, which provides assertive community treatment and intensive case management services for 766 individuals [\$6,482,947 General Fund for FY 2015-16]. This appropriation originated from the *Ruth Goebel* lawsuit that was settled by the State in FY 2006-07.
- Funding to support the operations of two licensed inpatient facilities: (1) a 32 bed licensed psychiatric hospital in Grand Junction that is operated by the local community mental health center (Mind Springs Health) [\$661,915 General Fund]; and (2) a 16 bed Acute Treatment Unit in Durango that is operated by the local community mental health center (Axis Health Systems) [\$499,591 General Fund for FY 2015-16].
- Funding that is transferred to the Division of Vocational Rehabilitation and then matched by federal funds for the provision of case management and vocational services for mental health clients [\$355,152 for FY 2015-16].
- Funding to reimburse licensed community mental health clinics for the provision of mental health services to medically indigent clients [\$41,608 General Fund for FY 2015-16].

Federal funds are also allocated to each mental health center for the provision of mental health services to indigent mentally ill clients and for other specified services and/or targeted populations.

*Statutory Authority:* Section 27-65-101, *et seq.*, C.R.S. [Care and treatment of persons with mental illness]; Section 27-66-101, *et seq.*, C.R.S. [Community mental health services]

*Request:* The Department requests \$37,124,535 (including \$30,729,057). The request includes a decrease of \$310,395 for a 1.0 percent provider rate decrease applied to the continuation level of General Fund (R19).

*Recommendation:* Staff recommends appropriating \$37,636,753 (including \$31,039,452 General Fund, \$161,909 reappropriated funds, and \$6,435,392 federal funds). Consistent with the Committee's common policy, staff's recommendation excludes the proposed 1.0 percent reduction in provider rates. The recommended amount of federal funds is based on more recent estimates of available federal funds. See the discussion of the JBC Staff-initiated Federal Funds Update at the beginning of this packet for more information.

### **Medications for Indigent Mentally Ill Clients**

This line item supports the cost of purchasing medications for indigent Center clients. A Center may use these funds for direct purchase of medications or to employ an individual to negotiate the purchase of medications.

*Statutory Authority:* Section 27-66-101, *et seq.*, C.R.S. [Community mental health services]

*Request:* The Department requests \$1,538,893 General Fund. The request includes a decrease of \$15,544 for a 1.0 percent provider rate decrease applied to the continuation level of General Fund (R19).

*Recommendation:* Staff recommends appropriating \$1,554,437 General Fund. Consistent with the Committee's common policy, staff's recommendation excludes the proposed 1.0 percent reduction in provider rates.

### **School-based Mental Health Services**

This line item supports a school-based mental health specialist in each Center. These specialists serve as a liaison between the schools and the Centers. The position is flexible in order to meet the different needs of the school districts.

*Recent History of Appropriation.* Prior to FY 2013-14, this line item (called "Early Childhood Mental Health Services") supported one early childhood mental health specialist in each of the 17 Centers and psychiatric services for children with a serious emotional disturbance. For FY 2013-14, the appropriation was increased by \$1,163,876 to support one additional specialist at each Center to work directly with schools in their geographic region to coordinate the provision of mental health services to students in need. The line item was renamed "School-based Mental Health Services". Subsequently, through H.B. 13-1117, the entire line item was moved to the Department's Office of Early Childhood. In FY 2014-15, the portion of this line item that supports school-based mental health specialists was transferred back to this section of the budget.

*Statutory Authority:* Section 27-66-101, *et seq.*, C.R.S. [Community mental health services]

*Request:* The Department requests \$1,201,121 General Fund. The request includes a decrease of \$12,133 for a 1.0 percent provider rate decrease applied to the continuation level of General Fund (R19).

*Recommendation:* Staff recommends appropriating \$1,213,254 General Fund. Consistent with the Committee's common policy, staff's recommendation excludes the proposed 1.0 percent reduction in provider rates.

### **Assertive Community Treatment Programs**

Assertive Community Treatment (ACT) is an evidence-based service delivery model for providing comprehensive community-based treatment to adults with serious and persistent mental illness. The ACT model includes a mobile mental health team with members that function interchangeably to provide the treatment, rehabilitation, and support services that adults with serious mental illnesses need to live successfully in the community. This line item was established in 2001 as a pilot project for clients involved in the criminal justice system. This line item provides funding for approximately 120 severely and persistently mentally ill clients to receive new or enhanced services through competitive grants that were awarded to three Centers: Mental Health Partners (Boulder); Mental Health Center of Denver; and the San Luis Valley Mental Health Center.

In FY 2015-16, \$4,117,539 General Fund was transferred to this line item from the Community Transition Services line item to consolidate funding for ACT programs. For FY 2015-16, this line item is supported by General Fund (\$4,803,563) and local matching funds (\$674,557).

*Statutory Authority:* Section 27-66-101, *et seq.*, C.R.S. [Community mental health services]

*Request:* The Department requests \$5,434,691 total funds (including \$4,755,527 General Fund). The request includes a decrease of \$54,896 (including \$48,036 General Fund) for a 1.0 percent provider rate decrease (R19).

*Recommendation:* Staff recommends appropriating \$5,489,587 (including \$4,803,563 General Fund and \$686,024 local matching funds). Consistent with the Committee's common policy, staff's recommendation excludes the proposed 1.0 percent reduction in provider rates.

**Alternatives to Inpatient Hospitalization at a Mental Health Institute**

The line item supports alternative placements for individuals who would otherwise require hospitalization at one of the mental health institutes. Funding is allocated among Centers to provide the following types of services:

- Acute treatment unit and residential treatment capacity;
- medication and medication administration education and practice;
- intensive therapy and case management;
- mentoring services; and
- other services to improve the patient's level of functioning to enhance his or her success in the community.

Funding covers services for clients who are not eligible for Medicaid and services that are not covered by Medicaid for Medicaid-eligible clients (*e.g.*, residential room and board expenses).

*Statutory Authority:* Section 27-66-101, *et seq.*, C.R.S. [Community mental health services]

*Request:* The Department requests \$3,304,112 General Fund. The request includes a decrease of \$33,375 for a 1.0 percent provider rate decrease (R19).

*Recommendation:* Staff recommends appropriating \$3,337,487 General Fund. Consistent with the Committee's common policy, staff's recommendation excludes the proposed 1.0 percent reduction in provider rates.

**Mental Health Services for Juvenile and Adult Offenders**

The line item supports the purchase of mental health services from Centers for juvenile and adult offenders who have mental health problems and are involved in the criminal justice system. Eleven of the 17 Centers have designed and implemented programs (called "S.B. 07-097 programs" based on the authorizing legislation). These funds are used for staff who provide case management and treatment services, wrap-around services, medications, and treatment services that are not covered by Medicaid. This line item is supported by tobacco litigation settlement moneys that are annually transferred to the Offender Mental Health Services Fund.

*Statutory Authority:* Section 27-66-104 (4), C.R.S. [Offender mental health services fund]; Section 24-75-1104.5 (1.5) (a) (II), C.R.S. [Allocation of tobacco litigation settlement moneys]

*Request:* The Department requests a continuation level of funding (\$3,061,390 cash funds).

*Recommendation:* Staff recommends appropriating \$3,025,192 cash funds, consistent with previous Committee action on tobacco settlement-funded programs.

**Mental Health Treatment and Services for Youth (H.B. 99-1116)**

The Child Mental Health Treatment Act (CMHTA) provides funding for mental health treatment services for children (under age 18) without the need for county department of human services involvement, when a dependency and neglect action is neither appropriate nor warranted. Services may include in-home family mental health treatment, other family preservation services, residential treatment, or post-residential follow-up services. Local and state-level appeal processes are available if services are denied, and for local interagency disputes. The CMHTA applies to two groups of children, with different application and payment processes differ for each group.

- *Children who are categorically Medicaid-eligible and have a covered mental health diagnosis.* A parent or guardian of a Medicaid-eligible child may apply for residential treatment through the local behavioral health organization (BHO). If the child is determined to require a residential level of care, the BHO is responsible for covering the residential treatment costs.
- *Children Who Are NOT Categorically Eligible for Medicaid.* If a child is at risk of being placed out of the home because they have a mental illness and they require a residential treatment level of care or equivalent community-based services, the parent or guardian may apply for such services through the local Center. Each Center has a designated CMHTA liaison. The Center is required to evaluate the child and clinically assess the child's need for mental health services.

Private insurance benefits must be exhausted prior to accessing any public benefits. In addition, the parents are responsible for paying a portion of the cost of services that is not covered by private insurance or by Medicaid funding; the parent share is based on a sliding fee scale that is based on child support guidelines. When and if the child is in residential care, the family is required to apply for federal supplemental security income (SSI) benefits. For the first 30 days of residential care, expenses are covered by parental fees and CMHTA funds. Beyond the first 30 days, for a child placed in a residential child care facility, expenses are covered by parental fees, SSI benefits, and CMHTA funds; for a child placed in a psychiatric residential treatment facility,

expenses are covered by a Medicaid per diem rate. If the child is in non-residential care, expenses are covered by parental fees and CMHTA funds.

This line item is supported by General Fund, \$300,000 from tobacco settlement moneys, and transfers from HCPF (which originate as General Fund and federal Medicaid funds). Expenditures for services covered by this line item are subject to available appropriations. The General Fund and tobacco settlement moneys in this line item cover any costs that are not covered by private insurance, SSI, Medicaid, or parent payments. Tobacco settlement moneys are spent first, and the General Fund is used to cover any remaining expenditures.

*Statutory Authority:* Section 27-67-101 *et seq.*, C.R.S. [Child Mental Health Treatment Act]; Section 24-75-1104.5 (1) (k), C.R.S. [Allocation of tobacco litigation settlement moneys]

*Request:* The Department requests \$1,071,059 (including \$648,671 General Fund). The request includes a decrease of \$7,788 (including \$6,552 General Fund) for a 1.0 percent provider rate decrease (R19).

*Recommendation:* Staff recommends appropriating \$1,078,847 (including \$655,223 General Fund, \$300,000 cash funds from tobacco settlement moneys, and \$123,624 reappropriated funds transferred from HCPF). Consistent with the Committee's common policy, staff's recommendation excludes the proposed 1.0 percent reduction in provider rates.

### **Mental Health First Aid**

This line item provides state funding to support Mental Health First Aid (MHFA)<sup>6</sup>, a public education program committed to training adults to identify mental health and substance abuse problems, connect individuals to care, and safely de-escalate crisis situations if needed. The MHFA program meets requirements established by the federal Substance Abuse and Mental Health Services Administration's registry of evidence based programs and practices. By reaching out to people who regularly interact with adults and youth, the program educates individuals regarding the early signs and symptoms associated with mental health and substance abuse issues so they can identify adults and youth who are at risk. The program is intended to teach lay people methods of assisting young people and adults who may be developing a behavioral health problem and encourage them to seek appropriate support and services as early as possible.

*Statutory Authority:* Section 27-66-101, *et seq.*, C.R.S. [Community mental health services]

*Request:* The Department requests a continuation level of funding (\$210,000 General Fund).

*Recommendation:* Staff recommends approving the request. The ongoing funding of \$210,000 would continue to support MHFA instructor training to ensure that any first responders, educators, social workers, medical personnel, family members, or members of the public who have the need or desire for MHFA certification can have access to a course.

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<sup>6</sup> For more information, see: <http://www.mentalhealthfirstaid.org/cs/>.

## **(C) Substance Use Treatment and Prevention**

This section provides funding to support substance use disorder services that are delivered through local community providers. This section is primarily supported by the federal Substance Abuse Prevention and Treatment block grant, General Fund, transfers from HCPF (which originate as General Fund and federal Medicaid funds), and transfers from the Judicial Department (which originate as General Fund and drug offender surcharge revenues).

### ***(1) Treatment Services***

#### **Treatment and Detoxification Contracts**

This line item supports contracts for the provision of treatment and detoxification services that are not otherwise available. The Office of Behavioral Health currently contracts with four managed service organizations (MSOs) for the provision of substance use disorder treatment and detoxification services in seven catchment areas. The MSOs subcontract with local treatment providers with locations around the state to deliver these services. The contracts the Office enters into with MSOs require an emphasis on providing services to: persons involuntarily committed by the courts; pregnant women and women with dependent children; adult and adolescent intravenous drug users; drug-dependent adults and adolescents with human immunodeficiency virus (HIV) or tuberculosis; and uninsured individuals.

The Department arranges for detoxification and treatment services with one contract for each catchment area. However, treatment and detoxification are two different levels of care that have separate and distinct contract admissions requirements.

- *Non-hospital detoxification services.* Individuals who are intoxicated by alcohol or drugs are evaluated and provided services necessary to protect client and public health and safety until the blood level of the intoxicating substance(s) is zero. Detoxification and shelter services serve a dual purpose by protecting individual and public health and safety, and serving as an entry point for treatment. Detoxification services are critical for law enforcement and community protection, but do not constitute treatment for substance abuse.
- *Treatment.* Basic treatment services include: outpatient opioid replacement treatment; individual, group, and family outpatient therapy; intensive outpatient therapy; transitional residential treatment; therapeutic community, and intensive residential treatment.

Unlike the Medicaid program, substance use disorder services provided through the MSO contracts are not an entitlement. Thus, the number of individuals receiving services is directly affected by the level of available funding. For FY 2015-16, the appropriation included the following fund sources:

- General Fund (\$12,055,021);
- the federal Substance Abuse Prevention and Treatment Block Grant (\$10,347,947);
- reappropriated funds transferred from the Judicial Department from moneys available in the Correctional Treatment Cash Fund (\$1,064,688);
- General Fund from the Proposition AA Refund Acct pursuant to H.B. 15-1367 (\$500,000);
- the Persistent Drunk Driver Cash Fund (\$265,000); and
- the Adolescent Substance Abuse Prevention Fund and Treatment Fund (\$94,905).

*JBC Staff Figure Setting: FY 2016-17*  
*Staff Working Document – Does Not Represent Committee Decision*

In addition, \$1,221,890 (81 percent) of a \$1.5 million appropriation from the Marijuana Tax Cash Fund (MTCF) that was included in S.B. 14-215 for FY 2014-15 remained available for expenditure in FY 2015-16. This appropriation was for the provision of substance use disorder treatment services for adolescents and pregnant women. Of the \$1.2 million remaining available for FY 2015-16, \$598,805 (49.0 percent) was expended as of February 24, 2016.

*Statutory Authority:* Section 16-11.5-102, C.R.S. [Substance abuse in the criminal justice system - programs for education and treatment for offenders]; Section 27-80-101, *et seq.*, C.R.S. [Alcohol and drug abuse – programs and services]; Section 27-81-101, *et seq.*, C.R.S. [Alcohol abuse, education, prevention, and treatment]; Section 27-82-101, *et seq.*, C.R.S. [Drug abuse prevention, education, and treatment]; Section 18-19-103 (5) (c) and (d), C.R.S. [Use of Correctional Treatment Cash Fund for offenders]

*Request:* The Department requests \$28,844,364 total funds (including \$11,934,471 General Fund). The request includes:

- an increase of \$4,637,353 cash funds from the MTCF per R11 (Intensive residential treatment for SUD);
- a continuation of the \$500,000 appropriation that was included in H.B. 15-1367 (but from the MTCF rather than the General Fund for FY 2016-17); and
- a decrease of \$120,550 General Fund for a 1.0 percent provider rate decrease (R19) applied to the General Fund portion of the appropriation.

The request does not include the reinstatement of the \$1.5 million cash funds appropriation from the MTCF for substance use disorder treatment services for adolescents and pregnant women.

*Recommendation:* As detailed in the following table, staff recommends appropriating \$36,397,316 total funds (including \$12,242,908 General Fund, \$6,000,000 cash funds from the MTCF, \$265,000 cash funds from the Persistent Drunk Driver Cash Fund, \$94,905 from the Adolescent Substance Abuse Prevention Fund and Treatment Fund, \$1,064,688 reappropriated funds transferred from the Judicial Department from moneys available in the Correctional Treatment Cash Fund, and \$16,729,815 federal funds). Consistent with the Committee's February 17, 2016, action on the Correctional Treatment Board's proposed allocation of Correctional Treatment Cash Fund moneys for FY 2016-17, staff's recommendation maintains a transfer of \$1,064,688 from the Judicial Department.

<b>Behavioral Health Services, Substance Use Treatment and Prevention, Treatment and Detoxification Contracts</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2015-16 Appropriation</b>						
SB 15-234 (Long Bill)	\$23,827,561	\$12,055,021	\$359,905	\$1,064,688	\$10,347,947	0.0
Other legislation	<u>500,000</u>	<u>500,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$24,327,561</b>	<b>\$12,555,021</b>	<b>\$359,905</b>	<b>\$1,064,688</b>	<b>\$10,347,947</b>	<b>0.0</b>

*JBC Staff Figure Setting: FY 2016-17*  
*Staff Working Document – Does Not Represent Committee Decision*

<b>Behavioral Health Services, Substance Use Treatment and Prevention, Treatment and Detoxification Contracts</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2016-17 Recommended Appropriation</b>						
FY 2015-16 Appropriation	\$24,327,561	\$12,555,021	\$359,905	\$1,064,688	\$10,347,947	0.0
R11 Intensive residential treatment for SUD	5,500,000	0	5,500,000	0	0	0.0
Annualize H.B. 15-1367	0	(500,000)	500,000	0	0	0.0
R19 Community provider rate adjustment	0	0	0	0	0	0.0
JBC Staff-initiated federal funds update	<u>6,569,755</u>	<u>187,887</u>	<u>0</u>	<u>0</u>	<u>6,381,868</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$36,397,316</b>	<b>\$12,242,908</b>	<b>\$6,359,905</b>	<b>\$1,064,688</b>	<b>\$16,729,815</b>	<b>0.0</b>
<b>Increase/(Decrease)</b>	\$12,069,755	(\$312,113)	\$6,000,000	\$0	\$6,381,868	0.0
Percentage Change	49.6%	(2.5%)	1,667.1%	0.0%	61.7%	0.0%
<b>FY 2016-17 Executive Request:</b>	<b>\$28,844,364</b>	<b>\$11,934,471</b>	<b>\$5,497,258</b>	<b>\$1,064,688</b>	<b>\$10,347,947</b>	<b>0.0</b>
Request Above/(Below) Recommendation	(\$7,552,952)	(\$308,437)	(\$862,647)	\$0	(\$6,381,868)	0.0

Staff's recommendation differs from the request in the following areas:

- Consistent with the Committee's common policy, staff's recommendation excludes the proposed 1.0 percent reduction in provider rates (+\$120,550 General Fund).
- The recommended amount of federal funds is based on more recent estimates of available federal funds and the Department's current allocation of such funds for detoxification and treatment contracts (+\$6,381,868 federal funds). The recommendation also reflects the transfer of a portion of the General Fund match that is currently included in the Balance of Substance Abuse Block Grant Programs line item (+\$187,887 General Fund). See the discussion of the JBC Staff-initiated Federal Funds Update at the beginning of this packet for more information.
- Staff's recommendation for R11 adds \$5.5 million cash funds from the MTCF to this line item, rather than the requested \$4,637,353.

**Case Management for Chronic Detoxification Contracts**

This line item supports the Project to Reduce Over-Utilization of Detoxification (PROUD), a program designed to address the overuse of detoxification facilities and associated emergency services (e.g., law enforcement, ambulance, emergency room, etc.) by chronic alcohol and substance users. In addition to substance abuse problems, most PROUD clients are homeless, have co-occurring mental or physical health problems, and face significant barriers to employment. Emergency room and detoxification unit staff in the Denver metropolitan area refer individuals to PROUD. A PROUD case manager assesses the client's needs and the reasons for frequent use of detoxification-related services. The case manager helps the client navigate the behavioral and physical health care systems, and provides linkages to food assistance, housing, transportation, vocational, and other services designed to reduce detox episodes and support long-term recovery. The case manager acts as the point person as the client moves through

various levels of care in treatment. The Department contracts with Arapahoe House to operate the PROUD Program. PROUD services are generally provided for three to 12 months, depending on individual needs. For FY 2015-16, this line item is supported by the federal Substance Abuse Prevention and Treatment block grant (\$366,883) and the General Fund (\$2,581).

*Statutory Authority:* Section 27-80-101, *et seq.*, C.R.S. [Alcohol and drug abuse – programs and services]; Section 27-81-101, *et seq.*, C.R.S. [Alcohol abuse, education, prevention, and treatment]; Section 27-82-101, *et seq.*, C.R.S. [Drug abuse prevention, education, and treatment]

*Request:* The Department requests \$369,438 (including \$2,555 General Fund). The request includes a decrease of \$26 for a 1.0 percent provider rate decrease (R19) applied to the General Fund portion of the appropriation.

*Recommendation:* Staff recommends appropriating \$369,464, including \$2,581 General Fund. Consistent with the Committee's common policy, staff's recommendation excludes the proposed 1.0 percent reduction in provider rates.

### **Short-term Intensive Residential Remediation and Treatment (STIRRT)**

The Short-term Intensive Residential Remediation Treatment (STIRRT) Program is intended to reduce recidivism among male and female offenders who are at high risk of incarceration (either in county jail or the Department of Corrections) due to continued substance abuse. The program serves adults who:

- have severe substance abuse or co-occurring mental health disorder;
- have one or more misdemeanor or felony convictions;
- are assessed as needing intensive levels of treatment; and
- are at risk of having probation or parole revoked and of being incarcerated.

STIRRT includes two weeks of intensive residential treatment, followed by continuing care in an outpatient setting for eight months (or longer based on individual needs). Clients are primarily referred from probation or drug courts, the Department of Corrections/parole, and community corrections. The Department contracts with three providers to operate STIRRT Programs. For FY 2015-16, this line item is supported General Fund (\$3,146,489) and reappropriated funds transferred from the Judicial Department from moneys available in the Correctional Treatment Cash Fund (\$427,946).

*Statutory Authority:* Section 16-11.5-102, C.R.S. [Substance abuse in the criminal justice system - programs for education and treatment for offenders]; Section 27-80-101, *et seq.*, C.R.S. [Alcohol and drug abuse – programs and services]; Section 27-81-101, *et seq.*, C.R.S. [Alcohol abuse, education, prevention, and treatment]; Section 27-82-101, *et seq.*, C.R.S. [Drug abuse prevention, education, and treatment]; Section 18-19-103 (5) (c) and (d), C.R.S. [Use of Correctional Treatment Cash Fund for offenders]

*Request:* The Department requests \$3,637,970 (including \$3,115,024 General Fund and \$522,946 reappropriated funds). The request includes an increase of \$95,000 reappropriated

funds as proposed by the Correctional Treatment Board, and a decrease of \$31,465 for a 1.0 percent provider rate decrease (R19) applied to the General Fund portion of the appropriation.

*Recommendation:* Staff recommends appropriating \$3,669,435 total funds (including \$3,146,489 General Fund and \$522,946 reappropriated funds).

- Consistent with the Committee's common policy, staff's recommendation excludes the proposed 1.0 percent reduction in provider rates.
- Consistent with the Committee's February 17, 2016, action on the Correctional Treatment Board's proposed allocation of Correctional Treatment Cash Fund moneys for FY 2016-17, staff's recommendation includes a \$95,000 increase in the transfer from the Judicial Department (a total of \$522,946). This increase is for the implementation of program changes that will bring operations in line with current research and best practices.

### **High Risk Pregnant Women Program**

The High Risk Pregnant Women Program (known as "Special Connections") is a program for pregnant women who are eligible for Medicaid and who have alcohol and/or drug abuse problems. The program helps women have healthier pregnancies and healthier babies by providing case management, individual and group counseling, health education, and residential treatment during pregnancy and up to one year after delivery. The Department contracts with several providers to operate Special Connections Programs. This program was developed to: deliver a healthy baby; reduce or stop the substance using behavior of the pregnant woman during and after the pregnancy; promote and assure a safe child-rearing environment for the newborn and other children; and maintain the family unit. This line item is supported by reappropriated funds transferred from HCPF (which originate as General Fund and federal Medicaid funds).

*Statutory Authority:* Section 27-80-103, and 27-80-112 through 116, C.R.S.

*Request:* The Department requests \$1,589,306 reappropriated funds. The request includes a decrease of \$16,000 for a 1.0 percent provider rate decrease (R19) applied to the General Fund portion of the appropriation, as well as an increase of \$5,306 related to rate increases that were approved for FY 2015-16.

*Recommendation:* Staff recommends continuation of the existing appropriation of \$1,600,000 reappropriated funds. Consistent with the Committee's common policy, staff's recommendation excludes the proposed 1.0 percent reduction in provider rates (-\$16,000 total funds). In addition, as described more fully in the recommendation for the corresponding line item appropriation to the Department of Health Care Policy and Financing, staff's recommendation does not reflect the requested adjustment to "annualize" the rate increases that were approved for FY 2015-16 (an increase of \$5,306).

## ***(2) Prevention and Intervention***

### **Prevention Contracts**

This line item funds prevention programs to provide youth, families and communities with the resources and skills to increase protective factors and decrease risk factors linked to substance abuse. The Office of Behavioral Health contracts with statewide and local prevention programs by providing partial funding for services designed to prevent the illegal and inappropriate use of alcohol, tobacco, and other drugs. Services include: mentoring, tutoring, life skills training, parenting training, creative arts, education/resource centers, DUI prevention programs, and employee assistance programs. Prevention strategies used by the Department, and its contractors include:

- Information distribution regarding the nature and extent of use, abuse and its effects on individuals, families, and communities;
- Substance-free activity development for community events;
- Community development, which helps groups, neighborhoods or communities plan and implement a range of prevention services;
- Prevention education, which involves a structured, formal research-based curriculum and problem identification and assessment, which determines whether substance abusing and behavior can be reversed through education; and
- Community-based efforts to establish or change written and unwritten community standards and attitudes influencing the incidence and prevalence of the abuse of alcohol, tobacco and other drugs.

For FY 2015-16, the appropriation included the following fund sources:

- the federal Substance Abuse Prevention and Treatment Block Grant (\$3,826,230);
- General Fund (\$35,076);
- the Adolescent Substance Abuse Prevention and Treatment Fund (\$96,635); and
- the Tobacco Use Prevention Fund (\$25,000).

*Statutory Authority:* Section 18-13-122 (18), C.R.S. [Adolescent Substance Abuse Prevention and Treatment Fund]; Section 24-35-507, C.R.S. [Cigarette, Tobacco Product, and Nicotine Product Use by Minors Prevention Fund]; Section 27-80-101, *et seq.*, C.R.S. [Alcohol and drug abuse – programs and services]; Section 27-81-101, *et seq.*, C.R.S. [Alcohol abuse, education, prevention, and treatment]; Section 27-82-101, *et seq.*, C.R.S. [Drug abuse prevention, education, and treatment]

*Request:* The Department requests \$3,967,590 total funds (including \$34,725 General Fund and \$3,826,230 federal funds). The request includes a decrease of \$351 General Fund for a 1.0 percent provider rate decrease (R19), and a decrease of \$15,000 cash funds spending authority from the Cigarette, Tobacco Product, and Nicotine Product Use by Minors Prevention Fund.

This fund (previously named the Tobacco Use Prevention Fund) consists of fines levied on retail vendors for selling tobacco products to minors. Moneys in the Fund are to be used for programs "designed to develop training materials for retailers related to the prohibition of the sale of cigarettes and tobacco products to minors or to prevent the use of cigarettes and tobacco products

by minors". This fund had a balance of \$44,582 on July 1, 2013. In 2014, staff recommended increasing the appropriation from this fund by \$20,000 in both FY 2014-15 and FY 2015-16 to reduce the fund balance by \$40,000. The Department indicated that based on the limited annual revenues to this fund and the \$5,000 annual appropriation, it has been difficult to develop any type of legitimate campaign as contemplated by statute. The Department indicated that it would use the additional funds to develop a training campaign and materials for retailers. For FY 2016-17, the Department proposes an appropriation of \$10,000 from this fund, and then a return to the historic \$5,000 annual appropriation in FY 2017-18.

*Recommendation:* Staff recommends appropriating \$5,589,289 (including: \$35,076 General Fund, \$106,635 cash funds, and \$5,447,578 federal funds). Staff's recommendation differs from the request in two areas. First, consistent with the Committee's common policy, staff's recommendation excludes the proposed 1.0 percent reduction in provider rates. Second, the recommended amount of federal funds is based on more recent estimates of available federal funds. See the discussion of the JBC Staff-initiated Federal Funds Update at the beginning of this packet for more information.

Staff recommends approving the request for \$10,000 from the Cigarette, Tobacco Product, and Nicotine Product Use by Minors Prevention Fund. The fund balance is projected to decline to \$11,737 by the end of FY 2015-16. Approval of the request is anticipated to result in a fund balance of \$6,237 by the end of FY 2016-17.

Finally, consistent with the request, the recommendation includes continuation of a \$65,000 temporary increase in the cash fund appropriation from the Adolescent Substance Abuse Prevention and Treatment Fund to allow the Department to spend down an excess cash fund balance and make these moneys available for the intended purposes. This fund consists of fines related to underage possession or consumption of alcohol. Moneys in the fund are to be used for adolescent substance abuse prevention and treatment programs. This fund had a balance of \$218,521 on July 1, 2013. In 2014 staff recommended increasing the appropriation from this fund by \$65,000 for each of three fiscal years (FY 2014-15 through FY 2016-17) to reduce the fund balance by \$195,000. The Department indicated that it would use the additional moneys to expand services (temporarily) beyond the current service areas.

### **Persistent Drunk Driver Programs**

Persistent drunk driver programs are funded by the Persistent Drunk Driver Cash Fund, which consists of a surcharge of \$100 to \$500 for persons convicted of DUI, DUI per se, or DWAI. Funding priorities are designed to deter persistent drunk driving, and to educate the public, with an emphasis on young drivers.

Moneys in the Persistent Drunk Driver Cash Fund are subject to annual appropriation to pay for the following:

- to support programs that are intended to deter persistent drunk driving or intended to educate the public (with particular emphasis on the education of young drivers) regarding the dangers of persistent drunk driving;

- to pay a portion of the costs for intervention or treatment services statutorily required for a persistent drunk driver who is unable to pay for the required intervention or treatment services;
- to assist in providing court-ordered alcohol treatment programs for indigent and incarcerated offenders;
- to assist in providing approved ignition interlock devices for indigent offenders;
- to assist in providing continuous monitoring technology or devices for indigent offenders; and
- costs incurred by the Department of Revenue concerning persistent drunk drivers, including costs associated with the revocation of a driver's license and computer programming changes.

Moneys are directly appropriated to the Department of Revenue and to the Department of Human Services (DHS); a portion of the moneys appropriated to DHS are transferred to the Judicial Department's Probation unit.

*Statutory Authority:* Section 42-3-303, C.R.S.

*Request:* The Department requests a continuation level of funding (\$2,035,823 cash funds).

*Recommendation:* Staff recommends approving the request. Please note that the recommendation includes continuation of a \$365,000 temporary increase in the appropriation from the Persistent Drunk Driver Cash Fund to spend down the excess cash fund balance and make these moneys available for the intended purposes. This fund had a balance of \$1,420,815 on July 1, 2013. In 2014, staff recommended increasing the appropriation from this fund by \$365,000 for each of three fiscal years (FY 2014-15 through FY 2016-17) to reduce the fund balance by \$1,095,000 (thus leaving a balance of about 16.5 percent of current annual expenditures).

The Department indicated that it would likely use a portion of the temporary funding increase to provide additional assistance for DUI offenders (by transferring additional moneys to the Judicial Department) and for time-limited projects that are consistent with the statutory directive. The Department provided the following examples of such projects:

- Increase training to counselors/stakeholders and conducting research specific to the new DUI treatment intervention, Interlock Enhancement Counseling.
- Translate the interlock enhancement counseling curriculum into Spanish.
- Sponsor a two-day conference in Colorado specific to DUI which would include tracks for youth DUI, women & DUI, and marijuana & DUI.
- Market the [www.noDUIcolorado.org](http://www.noDUIcolorado.org) website with greater distribution of printed materials and statewide advertising.

### **Law Enforcement Assistance Fund Contracts**

The Law Enforcement Assistance Fund (LEAF) consists of revenues from a \$75 surcharge on drunk and drugged driving convictions to help pay for enforcement, laboratory charges, and prevention programs. The Office of Behavioral Health annually receives 20 percent of LEAF revenues that are available after appropriations are made to the Department of Public Health and Environment (for evidential breath alcohol testing and implied consent specialists) and to the Department of Public Safety's Colorado Bureau of Investigation (for toxicology laboratory services). These funds are to be used to establish a statewide program for the prevention of driving after drinking, which includes:

- educating the public in the problems of driving after drinking;
- training of teachers, health professionals, and law enforcement in the dangers of driving after drinking;
- preparing and disseminating educational materials dealing with the effects of alcohol and other drugs on driving behavior; and
- preparing and disseminating education curriculum materials thereon for use at all levels of school specifically to establish impaired driving prevention programs.

The Office allocates available funds through five separate contracts targeted as the following audiences:

- General population as a whole;
- Teachers of young people and young adults;
- Health professionals;
- Local law enforcement; and
- Providers and advocacy organizations.

Funding supports local efforts to prevent persons from driving when using alcohol or other drugs. Services provided include: mentoring; tutoring; life skills training; harm reduction education; community coalition building; social norms marketing; and education and information dissemination.

*Statutory Authority:* Sections 43-4-402 (2) (a) and 43-4-404 (3), C.R.S.

*Request:* The Department requests a continuation level of funding (\$255,000 cash funds).

*Recommendation:* Staff recommends approving the request.

### ***(3) Other Programs***

#### **Federal Grants**

The Department receives a variety of federal alcohol and substance use discretionary grants. The portion of federal grants anticipated to be used for administrative activities is shown in the Community Behavioral Health Administration subsection.

*Statutory Authority:* Section 27-80-109, C.R.S. [Alcohol and drug abuse – coordination of state and federal funds and programs]

*Request:* The Department requests a continuation level of funding (\$2,625,422 federal funds).

*Recommendation:* Staff recommends reflecting \$3,287,818 federal funds for FY 2016-17. See the discussion of the JBC Staff-initiated Federal Funds Update at the beginning of this packet for more information.

**Balance of Substance Abuse Block Grant**

This line item includes federal Substance Abuse Prevention and Treatment Block Grant allocations. The Office of Behavioral Health has the flexibility to allocate funds in this line item to the Treatment and Detoxification Contracts and Prevention Contracts line items. The Department is required to use 35 percent of block grant funds for alcohol abuse programs, 35 percent for drug abuse programs, and 20 percent for prevention; the remaining 10 percent may be used for any of these three areas. The Department combines appropriations to meet the needs of specific populations. This flexibility is essential for the Department to meet the five earmarked requirements of each block grant award (administration, drug/alcohol treatment, prevention, women's services, and HIV early intervention).

*Statutory Authority:* Section 27-80-109, C.R.S. [Alcohol and drug abuse – coordination of state and federal funds and programs]

*Request:* The Department requests \$6,681,150 (including \$195,758 General Fund and \$6,485,392 federal funds). The request includes a decrease of \$1,977 General Fund for a 1.0 percent provider rate decrease (R19), and a continuation level of federal funds.

*Recommendation:* Staff recommends appropriating \$109,848 (including \$9,848 General Fund and \$100,000 federal funds from the Substance Abuse Prevention and Treatment block grant). Consistent with the Committee's common policy, staff's recommendation excludes the proposed 1.0 percent reduction in provider rates. In addition, the recommended amount of federal funds is based on more recent estimates of available federal funds. With respect to this line item, the recommendation shifts block grant funding and a portion of the matching General Fund to the Treatment and Detoxification Contracts and Prevention Contracts line items to better reflect anticipated expenditures. See the discussion of the JBC Staff-initiated Federal Funds Update at the beginning of this packet for more information.

**Community Prevention and Intervention**

This line item provides funding for the purchase of community services for the prevention and treatment of alcohol and drug abuse. This line item is supported by tobacco settlement moneys that are annually transferred to the Alcohol and Drug Abuse Community Prevention and Treatment Fund.

*Statutory Authority:* Section 24-75-1104.5 (1.5) (a) (VIII) (A) [Allocation of tobacco litigation settlement moneys to Alcohol and Drug Abuse Community Prevention and Treatment Fund]; Section 27-80-106, C.R.S. [Alcohol and drug abuse – purchase of prevention and treatment services]

*Request:* The Department requests a continuation level of funding (\$765,348 cash funds).

*Recommendation:* Staff recommends appropriating \$756,298 cash funds from the Alcohol and Drug Abuse Community Prevention and Treatment Fund, consistent with the Committee's previous action on tobacco-funded programs.

**Rural Substance Abuse Prevention and Treatment**

House Bill 09-1119 (Vigil/Schwartz) created the Rural Alcohol and Substance Abuse Prevention and Treatment Program. A "rural area" is defined as a county with a population of less than 30,000. The program consists of two components.

- Half of the available funds support the Rural Youth Alcohol and Substance Abuse Prevention and Treatment Project, which provides prevention and treatment services to children ages eight to 17 in rural areas. In FY 2014-15, funds were distributed to six counties through a request for proposal process: Archuleta, Chaffee, Del Norte, Hinsdale, Gunnison, and Routt. Most counties received \$7,370.
- The remaining half of the funds support treatment services for persons addicted to alcohol or drugs. These funds are allocated to MSOs in six of the seven MSO regions (all except Boulder) for the purpose of supporting detoxification facilities in rural counties.

The Program is supported by penalty surcharges on convictions of driving under the influence (DUI), driving while ability impaired (DWAI), habitual user of controlled substances, and underage drinking and driving. Penalty surcharges are also established for other alcohol or drug-related offenses upon conviction or a deferred sentence. The minimum penalty surcharge is \$1 and the maximum is \$10. Surcharge revenue is credited to the Rural Alcohol and Substance Abuse Cash Fund. The fund and the program sunset on July 1, 2016; H.B. 16-1168 would continue the program through 2025.

*Statutory Authority:* Section 27-80-117, C.R.S.

*Request:* The Department requests a continuation level of funding (\$151,243 cash funds).

*Recommendation:* Staff recommends increasing the appropriation to \$175,000 cash funds. The FY 2015-16 appropriation includes continuation of a \$62,800 temporary increase in the appropriation from the Rural Alcohol and Substance Abuse Cash Fund to spend down the excess cash fund balance and make these moneys available for the intended purposes. This fund had a balance of \$140,193 on July 1, 2013. In 2014, staff recommended increasing the appropriation from this fund by \$62,800 in both FY 2014-15 and FY 2015-16 to reduce the fund balance by \$125,600 (thus leaving a balance of about 16.5 percent of current annual expenditures). The Department indicated that it would use the additional moneys to expand services (temporarily) beyond the current service areas.

According to the Department of Regulatory Agencies 2015 Sunset Review report for this program, in FY 2014-15, Department staff only allocated \$44,215 of the \$75,621 made available for youth prevention and treatment services through the appropriation due to language in the request for proposals. [The Department has rectified this issue for FY 2015-16.] Based on this reversion and annual revenues of approximately \$118,000, an appropriation of \$175,000 for both

FY 2016-17 and FY 2017-18 should result in a fund balance of approximately \$20,000 by the end of FY 2017-18 (approximately 16.5 percent of annual fund revenues).

**Gambling Addiction Counseling Services**

This line item supports the provision of gambling addiction counseling services to Colorado residents. This line item is supported by 2.0 percent of the gaming tax revenues that are annually transferred to the Local Government Limited Gaming Impact Fund. The annual transfer to the Local Government Limited Gaming Impact Fund is \$5,000,000, so \$100,000 is annually transferred to the Gambling Addiction Account. Moneys in the Account may be used to provide grants to state or local public or private entities and programs that provide gambling addiction counseling services and that have or are seeking nationally accredited gambling addiction counselors. Ten percent of the moneys in the Account must be awarded to addiction counselors who are actively pursuing national accreditation as gambling addiction counselors. Up to 5.0 percent of moneys in the Account may be used annually for the Department's associated administrative expenses. Pursuant to S.B. 13-173, the repeal date for this program has been extended to September 1, 2022.

*Statutory Authority:* Sections 12-47.1-1601 (1) (a) and (4) (a.5) (I), C.R.S.; 12-47.1-701 (2) (a) (III), C.R.S.

*Request:* The Department requests \$269,000 reappropriated funds transferred from the Department of Local Affairs. This request is impacted by BA2 (Gambling Addiction Program Spending Authority).

*Recommendation:* Staff recommends appropriating \$100,000 cash funds from the Gambling Addiction Account within the Local Government Limited Gaming Impact Fund for FY 2016-17. See the recommendation for BA2 at the beginning of this document for more information.

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## **(D) Integrated Behavioral Health Services**

This section provides funding for: a behavioral health crisis response system; community-based mental health and substance use disorder services for offenders; behavioral health services and supports for individuals transitioning from the mental health institutes to the community; and co-occurring behavioral health services for indigent adolescents and adults in southern Colorado and the Arkansas Valley. This section is supported by General Fund and transfers from the Judicial Branch (originating as General Fund, drug offender surcharge revenues, and cash funds from the Marijuana Tax Cash Fund).

### **Crisis Response System – Walk-in, Stabilization, Mobile, Residential, and Respite Services**

This is the first of three line items that support the behavioral health crisis response system authorized through S.B. 13-266. The act defines "crisis intervention services" to mean an array of integrated services that are available twenty-four hours a day, seven days a week, to respond to and assist individuals who are in a behavioral health emergency. The components of the system are required to reflect a continuum of care from crisis response through stabilization and safe return to the community, with adequate support for transitions to each stage. This line item provides funding for a collection of integrated services to respond to and assist individuals experiencing a behavioral health emergency, including the following:

- Walk-in crisis services and crisis stabilization units with the capacity for immediate clinical intervention, triage, and stabilization. The walk-in crisis services and crisis stabilization units must employ an integrated health model based on evidence-based practices that consider an individual's physical and emotional health, are a part of a continuum of care, and are linked to mobile crisis services and crisis respite services.
- Mobile crisis services and units that are linked to the walk-in crisis services and crisis respite services and that have the ability to initiate a response in a timely fashion to a behavioral health crisis.
- Residential and respite crisis services that are linked to the walk-in crisis services and crisis respite services and that include a range of short-term crisis residential services, including but not limited to community living arrangements.

*Statutory Authority:* Section 27-60-101 *et seq.*, C.R.S. [Behavioral health crisis response system]; Section 27-60-103 (1) (b) (II), (III) and (IV), C.R.S. [Crisis system service components]

*Request:* The Department requests \$22,501,561 General Fund. The request is impacted by R14/BA6 (Behavioral health crisis services staffing), and it includes a decrease of \$229,524 General Fund for a 1.0 percent provider rate decrease (R19).

*Recommendation:* Staff recommends appropriating \$22,952,410 General Fund. Consistent with the Committee's common policy, staff's recommendation excludes the proposed 1.0 percent reduction in provider rates. For more information about the request and recommendation for R14/BA6 (Behavioral health crisis services staffing), see the discussion at the beginning of this packet.

**Crisis Response System – Telephone Hotline**

This is the second of three line items that provide funding for the behavioral health crisis response system authorized through S.B. 13-266. This line item supports a twenty-four-hour telephone crisis service that is staffed by skilled professionals who are capable of assessing child, adolescent, and adult crisis situations and making the appropriate referrals.

*Statutory Authority:* Section 27-60-101 *et seq.*, C.R.S. [Behavioral health crisis response system]; Section 27-60-103 (1) (b) (I), C.R.S. [Telephone crisis service component]

*Request:* The Department requests \$2,371,956 General Fund. The request includes a decrease of \$23,959 General Fund for a 1.0 percent provider rate decrease (R19).

*Recommendation:* Staff recommends appropriating \$2,395,915 General Fund. Consistent with the Committee's common policy, staff's recommendation excludes the proposed 1.0 percent reduction in provider rates.

**Crisis Response System – Marketing**

This is the third of three line items that provide funding for the behavioral health crisis response system authorized through S.B. 13-266. This line item supports a contract with Cactus Marketing Communications Inc., for a public information campaign.

*Statutory Authority:* *Statutory Authority:* Section 27-60-101 *et seq.*, C.R.S. [Behavioral health crisis response system]; Section 27-60-103 (1) (b) (V), C.R.S. [Public information campaign component]

*Request:* The Department requests a continuation level of funding (\$600,000 General Fund).

*Recommendation:* Staff recommends approving the request.

**Community Transition Services**

This line item provides funding for the provision of intensive behavioral health services and supports for individuals with serious mental illness who transition from a mental health institute back to the community, or who require more intensive services in the community to help avoid institutional placement. Prior to FY 2015-16, this line item included funding for Assertive Community Treatment (ACT) programs. In FY 2015-16, this funding (\$4,117,539 General Fund) was transferred to the Assertive Community Treatment Programs line item, above, to consolidate funding for ACT programs.

This line item currently supports the "Money Follows the Individual" program. The Department contracted with Behavioral Healthcare Inc. (the behavioral health organization for Adams, Arapahoe, and Douglas counties) for the provision of intensive case management services to assist mental health institute patients with their transition to the community. This work requires

BHI staff to work with the mental health institutes and community organizations and agencies<sup>7</sup> to provide a client-centered continuum of services for clients that are difficult to discharge from the institutes and clients that have a history of behavioral health-related hospitalizations. BHI staff work with transitioning individuals 30 days prior to discharge from the institutes and up to 60 days after the return to their communities. Funding is also provided for residential and wrap-around services that are not covered by Medicaid or other payer sources such as: individualized mentoring; funding for structured activities (recreation, education and training); transportation to promote engagement in treatment and community integration; substance use testing; smoking cessation; respite care for the caretakers of clients; and other individualized treatment services to address other community placement barriers.

*Statutory Authority:* Section 27-66-101, *et seq.*, C.R.S. [Community mental health services]

*Request:* The Department requests \$5,896,422 total funds (including \$5,096,422 General Fund and \$800,000 cash funds from the Marijuana Tax Cash Fund). The request is impacted by R12 (Sober living homes) and R13 (Supported employment for people with severe substance use disorder), and it includes a decrease of \$51,479 General Fund for a 1.0 percent provider rate decrease (R19).

*Recommendation:* Staff recommends appropriating \$5,147,901 General Fund, which is the same amount that is appropriated for FY 2015-16. Consistent with the Committee's common policy, staff's recommendation excludes the proposed 1.0 percent reduction in provider rates. Staff's recommendation also excludes a total of \$800,000 cash funds requested through R12 and R13.

### **Jail-based Behavioral Health Services**

This line item supports the provision of jail-based behavioral health services (JBBS) to offenders. The programs supported by this line item screen for and provide care for adult inmates with a substance use disorder, including individuals who have a co-occurring mental health disorder. In addition, programs provide continuity of care within the community after the inmate's release from jail. This line item is supported by reappropriated funds transferred from the Judicial Department from moneys available in the Correctional Treatment Cash Fund (CTCF).

The Department contracts with county sheriffs' departments to administer these funds; some counties are partnering with neighboring county sheriff departments. Sheriff departments work with local community providers who are licensed by the Department of Human Services' Office of Behavioral Health to provide services within the jail, and have the capacity to provide free or low cost services in the community to inmates upon release. Most programs have at least a clinician position to offer screenings, assessment, and treatment in the jail, as well as a case manager position dedicated to transitional care and a seamless re-entry in treatment services in the community. Treatment providers screen all inmates for presence of substance use disorders, mental health disorders, trauma, and traumatic brain injury, and identify inmates with active duty or veteran military status.

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<sup>7</sup> These local organizations and agencies may include: community mental health centers; behavioral health organizations; regional care collaborative organizations; nursing homes; residential facilities; and housing agencies.

In FY 2013-14, a total of 35 county sheriff departments operated JBBS programs (either individually or in partnership with neighboring county sheriffs). In FY 2014-15, programs were added to serve seven county jails.

*Statutory Authority:* Section 27-66-101, *et seq.*, C.R.S. [Community mental health services]; Section 18-19-103 (5) (c) and (d) (V), C.R.S. [Use of Correctional Treatment Cash Fund for offenders in a county jail]

*Request:* The Department requests \$5,033,522 reappropriated funds from the CTCF. The request reflects a reduction of \$95,000, as proposed by the Correctional Treatment Board to offset the proposed increase for the STIRRT Program.

*Recommendation:* Consistent with the Committee's February 17, 2016, action on the Correctional Treatment Board's proposed allocation of Correctional Treatment Cash Fund moneys for FY 2016-17, staff's recommendation includes a reduction of \$45,000 in the transfer from the Judicial Department. This decrease partially offsets the proposed increase for the STIRRT Program.

Based on visits to JBBS programs in Boulder, Arapahoe, and Logan counties, staff learned that JBBS programs have a number of benefits, including:

- Providing resources and tools for deputies to manage inmates and reduce disciplinary incidents;
- Reducing inmates' length of stay in jail;
- Making use of inmates' time in jail, while they are captive and sober, to make change happen and begin treatment before trial or before their release;
- Reducing recidivism and re-incarceration rates; and
- Encouraging coordination and collaboration between local jails, local community mental health centers, and other community providers to more effectively target resources and collectively meet the needs of individuals who are involved in the criminal justice system.

The most recent increase in funding is being used by counties to increase the number of inmates accessing services and to support additional staff to focus on re-entry planning and case management. These staff work with inmates prior to release to develop a plan to meet their basic needs (*e.g.*, housing, food, medication, transportation, employment) and maintain sobriety. These staff continue to work with inmates following their release to ensure successful re-entry and transition to community recovery resources. The overall goal is to target resources to meet offender's needs, engage them in the community, and prevent their return to jail.

### **Rural Co-occurring Disorder Services**

This line item, first included in the FY 2013-14 Long Bill, provides funding for a full continuum of co-occurring behavioral health services to adolescents and adults in southern Colorado and the Arkansas Valley. It is staff's understanding that this appropriation was provided based on data that demonstrated a gap in the service delivery system for southern Colorado related to the co-occurring, dually diagnosed population -- primary substance use and secondary mental health

(Axis I) anxiety and depression. A corresponding footnote was included to specify the General Assembly's intent in making the appropriation.

The Department awarded these funds to Crossroads' Turning Point, Inc. (CTP), a partner in Signal Behavioral Health Network, Inc., as a result of the request for proposal process. The counties in sub-state planning area #4 benefit from this appropriation, including: Alamosa, Baca, Bent, Conejos, Costilla, Crowley, Huerfano, Kiowa, Las Animas, Mineral, Otero, Prowers, Pueblo, Rio Grande, and Saguache. The Department indicates that specific treatment clinics are located in Alamosa, Lamar, La Junta, Pueblo, and Walsenburg.

The services CTP provides include residential and outpatient based services with a combination of individual and group mental health therapies, individual and group substance use treatment, case management, medication assisted therapy, substance use testing, and other similar services. The contract specifies quality measures and a client goal for CTP.

*Statutory Authority:* Section 27-66-101, *et seq.*, C.R.S. [Community mental health services]; Section 27-80-101, *et seq.*, C.R.S. [Alcohol and drug abuse – programs and services]; Section 27-81-101, *et seq.*, C.R.S. [Alcohol abuse, education, prevention, and treatment]; Section 27-82-101, *et seq.*, C.R.S. [Drug abuse prevention, education, and treatment]

*Request:* The Department requests \$1,011,001 General Fund. The request includes a decrease of \$10,212 General Fund for a 1.0 percent provider rate decrease (R19).

*Recommendation:* Staff recommends appropriating \$1,021,213 General Fund. Consistent with the Committee's common policy, staff's recommendation excludes the proposed 1.0 percent reduction in provider rates.

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### **(E) Mental Health Institutes**

The Department administers and operates two mental health institutes providing inpatient hospitalization for individuals with serious mental illness. The institutes provide comprehensive psychiatric, psychological, rehabilitation, and therapeutic care for up to 545 patients.

- The *Colorado Mental Health Institute at Pueblo* (CMHIP) operates a total of 451 beds. First, 307 "forensic" beds are used to serve two populations: (a) individuals with pending criminal charges who require evaluations of competency to stand trial and services to restore competency; and (b) individuals who have been found to be not guilty by reason of insanity. Second, 144 "civil" beds are used to serve adults, adolescents, dually diagnosed adults (mental illness and substance use disorder), and geriatric patients who are referred for admission by the community mental health centers, county departments of social services, or the Division of Youth Corrections. Civil patients include individuals who have sought treatment voluntarily and individuals who have been committed involuntarily by the court.
- The *Colorado Mental Health Institute at Fort Logan* (CMHIFL), located in southwest Denver, operates 94 civil beds for adults.

The Institutes are: licensed by the Department of Public Health and Environment; certified by the federal Center for Medicare and Medicaid Services to participate in those federal two programs; and accredited by the Joint Commission, an independent, not-for-profit organization that accredits and certifies more than 20,500 health care organizations and programs in the United States.

The institutes serve as the state "safety net" provider of inpatient psychiatric services, predominately treating indigent, Medicaid-eligible, and Medicare-eligible individuals. However, both institutes are considered "institutions for mental disease" (IMD) under federal law because they have more than 16 beds and are primarily engaged in providing diagnosis, treatment, or care of persons with mental health disorders, including medical attention, nursing care, and related services. Under the "IMD exclusion", Medicaid will not reimburse the State for the inpatient hospitalization of adults ages 21 through 64 at the institutes. While Medicaid will pay for community mental health treatment services for an eligible adult within this age range, when the same adult is admitted to an institute the cost of his or her care is transferred entirely to the General Fund. In addition, for Medicaid-eligible patients outside this age range (*i.e.*, under age 21 or over age 64), there is a 45-day Medicaid inpatient psychiatric benefit limit (implemented in FY 2003-04). If one of these patients remains at an institute for longer than 45 days, the costs of care shift to the General Fund.

**(1) Mental Health Institute – Ft. Logan**

**Personal Services**

This line item provides funding for Mental Health Institute – Ft. Logan (CMHIFL) employees' salaries and wages, as well as the associated State contribution to the Public Employees Retirement Association (PERA) and the State share of federal Medicare taxes. This line item also includes funding for contract medical services and the medical staff (employed through an interagency agreement with the University of Colorado at Denver) and contract trauma-informed care peer support specialists (employed through a contract with Behavioral Healthcare Inc.). The following table details the types of employees that are supported by this line item.

<b>Staffing Summary</b>	<b>FY 2014-15</b>	<b>FY 2015-16</b>	<b>FY 2016-17</b>	
<b>Colorado Mental Health Institute-Fort Logan, Personal Services</b>	<b>Actual</b>	<b>Appropriation</b>	<b>Request</b>	<b>Recomm.</b>
Administrative/Program Support Staff	20.4	23.4	23.4	23.4
Information Management (FY 14-15 R11 EHR system)	4.0	4.9	5.0	5.0
Management and Administration	12.4	11.5	11.5	11.5
Nursing	60.3	55.8	55.8	55.8
Nutrition	17.9	18.0	18.0	18.0
Patient Medical Services (e.g., lab, dental, pharmacy, xray, etc.)	8.9	6.8	6.8	6.8
Patient Support Services (e.g., medical records, admissions, patient rights, chaplain, etc.)	16.9	12.0	12.0	12.0
Psychology	6.5	4.6	4.6	4.6
Safety and Security	13.5	11.5	11.5	11.5
Social Work (e.g., including Mental Health Clinicians)	60.0	61.0	61.0	61.0
Therapy (Vocational, Rehabilitation, Occupational)	<u>8.3</u>	<u>9.0</u>	<u>9.0</u>	<u>9.0</u>
<b>Total</b>	<b>229.1</b>	<b>218.5</b>	<b>218.6</b>	<b>218.6</b>

*Statutory Authority:* Section 26-1-201, C.R.S. [Programs administered and services provided by DHS]; Section 27-94-102 and 103, C.R.S. [CMHIFL]

*Request:* The Department requests \$19.0 million total funds (including \$17.2 million General Fund) and 218.6 FTE. The request is impacted by BA8 (MHI revenue adjustment), and the request reflects a reduction of \$38,737 General Fund for a 1.0 percent provider rate reduction. The request includes \$284,469 to reflect the allocation of salary increases awarded in FY 2015-16, and \$4,472 and 0.1 FTE to provide a full 12 months of funding for staff added in FY 2015-16 for the implementation of an electronic health record system (FY 2014-15 R11).

*Recommendation:* As detailed in the following table, staff recommends appropriating \$19.1 million total funds and 218.6 FTE. Consistent with the Committee's common policy, staff's recommendation excludes the proposed 1.0 percent reduction in provider rates. Staff's recommended fund sources differ from the request due to the allocation of revenue adjustments among line items. See the discussion concerning BA4 at the beginning of this packet for more information.

*JBC Staff Figure Setting: FY 2016-17*  
*Staff Working Document – Does Not Represent Committee Decision*

<b>Behavioral Health Services, Mental Health Institute – Fort Logan, Personal Services</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>FTE</b>
<b>FY 2015-16 Appropriation</b>					
SB 15-234 (Long Bill)	\$18,653,854	\$16,866,275	\$1,619,709	\$167,870	218.5
HB 16-1242 (Supplemental Bill)	<u>0</u>	<u>(83,756)</u>	<u>226,228</u>	<u>(142,472)</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$18,653,854</b>	<b>\$16,782,519</b>	<b>\$1,845,937</b>	<b>\$25,398</b>	<b>218.5</b>
<b>FY 2016-17 Recommended Appropriation</b>					
FY 2015-16 Appropriation	\$18,653,854	\$16,782,519	\$1,845,937	\$25,398	218.5
R19 Community provider rate adjustment	0	0	0	0	0.0
BA4 MHI revenue adjustment	0	0	0	0	0.0
BA10 Mental health institutes electronic health record funding adjustment	189,000	189,000	0	0	0.0
Annualize prior year budget action	<u>288,941</u>	<u>288,941</u>	<u>0</u>	<u>0</u>	<u>0.1</u>
<b>TOTAL</b>	<b>\$19,131,795</b>	<b>\$17,260,460</b>	<b>\$1,845,937</b>	<b>\$25,398</b>	<b>218.6</b>
<b>Increase/(Decrease)</b>	\$477,941	\$477,941	\$0	\$0	0.1
Percentage Change	2.6%	2.8%	0.0%	0.0%	0.0%
<b>FY 2016-17 Executive Request:</b>	<b>\$19,093,058</b>	<b>\$17,210,825</b>	<b>\$1,875,373</b>	<b>\$6,860</b>	<b>218.6</b>
Request Above/(Below) Recommendation	(\$38,737)	(\$49,635)	\$29,436	(\$18,538)	0.0

**Contract Medical Services**

This line item covers the costs of outside medical expenses for CMHIFL patients.

*Statutory Authority:* Section 26-1-201, C.R.S. [Programs administered and services provided by DHS]; Section 27-94-102, C.R.S. [CMHIFL]

*Request:* The Department requests \$1,269,465 General Fund, the same amount appropriated for FY 2015-16.

*Recommendation:* Staff recommends approving the request.

**Operating Expenses**

This line item covers the general operating expenses of the CMHIFL, including: food; medical/laboratory supplies; custodial and laundry supplies; telephone and IT expenses; office equipment; and maintenance.

*Statutory Authority:* Section 26-1-201, C.R.S. [Programs administered and services provided by DHS]; Section 27-94-102, C.R.S. [CMHIFL]

*JBC Staff Figure Setting: FY 2016-17*  
*Staff Working Document – Does Not Represent Committee Decision*

*Request:* The Department requests \$1,078,092 (including \$918,683 General Fund). The request is impacted by BA4 (Mental health revenue adjustment).

*Recommendation:* As detailed in the following table, staff recommends appropriating \$1,066,278 total funds (including \$902,046 General Fund). Staff's recommendation is \$11,814 General Fund lower than the request, as staff recommends transferring this amount to the Capital Outlay line item. For more information, see the discussion for the next line item. In addition, staff's recommended fund sources differ from the request due to the allocation of revenue adjustments among line items. See the discussion concerning BA4 at the beginning of this packet for more information.

<b>Behavioral Health Services, Mental Health Institute - Fort Logan, Operating Expenses</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>FTE</b>
<b>FY 2015-16 Appropriation</b>					
SB 15-234 (Long Bill)	\$1,074,076	\$914,667	\$123,727	\$35,682	0.0
HB 16-1242 (Supplemental Bill)	<u>0</u>	<u>(4,823)</u>	<u>13,026</u>	<u>(8,203)</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$1,074,076</b>	<b>\$909,844</b>	<b>\$136,753</b>	<b>\$27,479</b>	<b>0.0</b>
<b>FY 2016-17 Recommended Appropriation</b>					
FY 2015-16 Appropriation	\$1,074,076	\$909,844	\$136,753	\$27,479	0.0
Annualize prior year budget action	<u>(7,798)</u>	<u>(7,798)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$1,066,278</b>	<b>\$902,046</b>	<b>\$136,753</b>	<b>\$27,479</b>	<b>0.0</b>
<b>Increase/(Decrease)</b>	(\$7,798)	(\$7,798)	\$0	\$0	0.0
Percentage Change	(0.7%)	(0.9%)	0.0%	0.0%	0.0%
<b>FY 2016-17 Executive Request:</b>	<b>\$1,078,092</b>	<b>\$918,683</b>	<b>\$123,727</b>	<b>\$35,682</b>	<b>0.0</b>
Request Above/(Below) Recommendation	\$11,814	\$16,637	(\$13,026)	\$8,203	0.0

**Capital Outlay**

This line item provides funding for the replacement of equipment and furnishings and minor facility renovations. For FY 2015-16, the General Assembly approved a request (R14) for \$920,448 General Fund for such purpose. Staff's recommendation last year included a recommendation that a portion of the funding continue to be provided annually in subsequent years to allow the institutes to replace equipment and make minor repairs on an ongoing basis based on the needs of the patients and staff, rather than submitting large requests every decade or so. Staff indicated that a portion of the existing Operating Expenses line item should likely be shifted to the Capital Outlay line item starting in FY 2016-17 to more accurately reflect likely capital outlay expenditures.

*Statutory Authority:* Section 26-1-201, C.R.S. [Programs administered and services provided by DHS]; Section 27-94-102, C.R.S. [CMHIFL]

*Request:* The Department requests \$9,000 General Fund.

*Recommendation:* Staff recommends appropriating \$20,814 General Fund. Consistent with the request, staff's recommendation for FY 2016-17 includes elimination of the one-time funding provided for FY 2015-16, while maintaining \$9,000 of such funding for ongoing needs. In addition, based on information provided by the Department through an unofficial "contingent" budget request, staff recommends transferring \$11,814 General Fund from the Operating Expenses line item to this line item to more accurately reflect capital outlay expenditures. Please note that this contingent budget request also identified the need for an additional \$101,909 General Fund for ongoing capital outlay needs. However, this was not an official request, and staff has not included this amount in the recommendation.

### **Pharmaceuticals**

This line item covers the cost of purchasing medication for CMHIFL patients. The CMHIFL pharmacy is responsible for dispensing general over-the-counter medications, general health-related medications for the treatment of conditions such as diabetes and hypertension, and psychiatric medications such as mood stabilizers, anti-depressants, and anti-psychotics.

*Statutory Authority:* Section 26-1-201, C.R.S. [Programs administered and services provided by DHS]; Section 27-94-102, C.R.S. [CMHIFL]

*Request:* The Department requests \$1,353,110 (including \$1,215,211 General Fund).

*Recommendation:* Staff recommends approving the request for an appropriation of \$1,353,110. Staff's recommended fund sources differ from the request due to the allocation of revenue adjustments among line items. See the discussion concerning BA4 at the beginning of this packet for more information.

## ***(2) Mental Health Institute – Pueblo***

### **Personal Services**

This line item provides funding for Mental Health Institute – Pueblo (CMHIP) employees' salaries and wages, as well as the associated State contribution to the Public Employees Retirement Association (PERA) and the State share of federal Medicare taxes. This line item also includes funding for contract medical services and the medical staff (employed through an interagency agreement with the University of Colorado at Denver) and contract trauma-informed care peer support specialists (employed through a contract with Behavioral Healthcare Inc.). The following table details the types of employees that are supported by this line item.

*JBC Staff Figure Setting: FY 2016-17*  
*Staff Working Document – Does Not Represent Committee Decision*

<b>Staffing Summary</b>	<b>FY 2014-15</b>	<b>FY 2015-16</b>	<b>FY 2016-17</b>	
<b>Colorado Mental Health Institute-Pueblo, Personal Services</b>	<b>Actual</b>	<b>Appropriation</b>	<b>Request</b>	<b>Recomm.</b>
Administrative/Program Support Staff (R3 Competency)	64.0	54.1	54.4	54.4
Education	10.0	10.3	10.3	10.3
Information Management (FY 14-15 R11 EHR system)	9.4	12.2	12.4	12.4
Management and Administration	32.5	31.4	31.4	31.4
Nursing	440.4	427.6	427.6	427.6
Nutrition	85.5	80.9	80.9	80.9
Patient Medical Services (e.g., lab, dental, pharmacy, xray, etc.)	28.0	29.3	29.3	29.3
Patient Support Services (e.g., medical records, admissions, patient rights, chaplain, etc.)	62.0	55.0	55.0	55.0
Psychology (R3 Competency)	48.0	40.8	42.9	42.9
Safety and Security	92.3	100.3	100.3	100.3
Social Work (e.g., including Mental Health Clinicians)	100.3	83.7	83.7	83.7
Therapy (Vocational, Rehabilitation, Occupational)	<u>51.3</u>	<u>55.1</u>	<u>55.1</u>	<u>55.1</u>
<b>Total</b>	<b>1,023.7</b>	<b>980.6</b>	<b>983.2</b>	<b>983.2</b>

*Statutory Authority:* Section 16-8.5-101, *et seq.*, C.R.S. [Criminal proceedings – competency to proceed]; Section 26-1-201, C.R.S. [Programs administered and services provided by DHS]; Section 27-93-101 and 103, C.R.S. [CMHIP]

*Request:* The Department requests \$70.2 million (including \$60.8 million General Fund) and 983.2 FTE. The request is impacted by the following decision items:

- R3 Court-ordered competency evaluations and restoration treatment
- R19 Provider rate decrease (a reduction of \$86,846 General Fund)
- BA4 Mental health institute revenue adjustment
- BA10 Mental health institute electronic health record funding adjustment

The request includes \$1,029,336 to reflect the allocation of salary increases awarded in FY 2015-16, and \$9,606 and 0.2 FTE to provide a full 12 months of funding for staff added in FY 2015-16 for the implementation of an electronic health record system (FY 2014-15 R11).

*Recommendation:* As detailed in the following table, staff recommends appropriating \$70.2 million total funds and 983.2 FTE. Consistent with the Committee's common policy, staff's recommendation excludes the proposed 1.0 percent reduction in provider rates. Staff's recommended fund sources differ from the request due to staff's recommendation on BA4. See the discussion concerning BA4 at the beginning of this packet for more information.

*JBC Staff Figure Setting: FY 2016-17*  
*Staff Working Document – Does Not Represent Committee Decision*

<b>Behavioral Health Services, Mental Health Institute - Pueblo, Personal Services</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>FTE</b>
<b>FY 2015-16 Appropriation</b>					
SB 15-234 (Long Bill)	\$68,148,302	\$58,172,152	\$3,954,220	\$6,021,930	977.5
HB 16-1242 (Supplemental Bill)	<u>257,407</u>	<u>824,516</u>	<u>(927,312)</u>	<u>360,203</u>	<u>3.1</u>
<b>TOTAL</b>	<b>\$68,405,709</b>	<b>\$58,996,668</b>	<b>\$3,026,908</b>	<b>\$6,382,133</b>	<b>980.6</b>
<b>FY 2016-17 Recommended Appropriation</b>					
FY 2015-16 Appropriation	\$68,405,709	\$58,996,668	\$3,026,908	\$6,382,133	980.6
R3 Court-ordered competency evaluations and restoration treatment	211,346	211,346	0	0	2.4
R19 Community provider rate adjustment	0	0	0	0	0.0
BA4 MHI revenue adjustment	0	0	(368,000)	368,000	0.0
BA10 Mental health institutes electronic health record funding adjustment	582,000	582,000	0	0	0.0
Annualize prior year budget action	<u>1,038,942</u>	<u>1,038,942</u>	<u>0</u>	<u>0</u>	<u>0.2</u>
<b>TOTAL</b>	<b>\$70,237,997</b>	<b>\$60,828,956</b>	<b>\$2,658,908</b>	<b>\$6,750,133</b>	<b>983.2</b>
<b>Increase/(Decrease)</b>	\$1,832,288	\$1,832,288	(\$368,000)	\$368,000	2.6
Percentage Change	2.7%	3.1%	(12.2%)	5.8%	0.3%
<b>FY 2016-17 Executive Request:</b>	<b>\$70,151,151</b>	<b>\$60,813,734</b>	<b>\$2,909,792</b>	<b>\$6,427,625</b>	<b>983.2</b>
Request Above/(Below) Recommendation	(\$86,846)	(\$15,222)	\$250,884	(\$322,508)	(0.0)

**Contract Medical Services**

This line item covers the costs of outside medical expenses for CMHIP patients.

*Statutory Authority:* Section 16-8.5-101, *et seq.*, C.R.S. [Criminal proceedings – competency to proceed]; Section 26-1-201, C.R.S. [Programs administered and services provided by DHS]; Section 27-93-101, C.R.S. [CMHIP]

*Request:* The Department requests \$3,589,425 General Fund, the same amount appropriated for FY 2015-16.

*Recommendation:* Staff recommends approving the request.

**Operating Expenses**

This line item covers the general operating expenses of the CMHIP, including: food; medical/laboratory supplies; custodial and laundry supplies; telephone and IT expenses; office equipment; and maintenance.

*JBC Staff Figure Setting: FY 2016-17*  
*Staff Working Document – Does Not Represent Committee Decision*

*Statutory Authority:* Section 16-8.5-101, *et seq.*, C.R.S. [Criminal proceedings – competency to proceed]; Section 26-1-201, C.R.S. [Programs administered and services provided by DHS]; Section 27-93-101, C.R.S. [CMHIP]

*Request:* The Department requests \$5,434,039 total funds (including \$2,821,125 General Fund). The request is impacted by the following decision items:

- R3 Court-ordered competency evaluations and restoration treatment
- BA4 Mental health institute revenue adjustment
- BA7 Technical correction to DOC transfer spending authority
- NP3 DOC Food service inflation

*Recommendation:* As detailed in the following table, staff recommends appropriating \$5,411,246 total funds (including \$2,843,031 General Fund). Staff's recommendation is \$22,793 General Fund lower than the request, as staff recommends transferring this amount to the Capital Outlay line item. For more information, see the discussion for the next line item. Staff's recommended fund sources differ from the request due to the allocation of revenue adjustments among line items. See the discussion concerning BA4 at the beginning of this packet for more information.

<b>Behavioral Health Services, Mental Health Institute - Pueblo, Operating Expenses</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>FTE</b>
<b>FY 2015-16 Appropriation</b>					
SB 15-234 (Long Bill)	\$5,479,546	\$2,778,434	\$399,247	\$2,301,865	0.0
HB 16-1242 (Supplemental Bill)	<u>(109,831)</u>	<u>69,943</u>	<u>(74,562)</u>	<u>(105,212)</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$5,369,715</b>	<b>\$2,848,377</b>	<b>\$324,685</b>	<b>\$2,196,653</b>	<b>0.0</b>
<b>FY 2016-17 Recommended Appropriation</b>					
FY 2015-16 Appropriation	\$5,369,715	\$2,848,377	\$324,685	\$2,196,653	0.0
R3 Court-ordered competency evaluations and restoration treatment	(14,321)	(14,321)	0	0	0.0
BA4 MHI revenue adjustment	0	0	0	0	0.0
BA7 Technical correction to DOC transfer spending authority	0	0	0	0	0.0
NP3 DOC food service inflation	45,977	0	0	45,977	0.0
Annualize prior year budget action	<u>9,875</u>	<u>9,875</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$5,411,246</b>	<b>\$2,843,931</b>	<b>\$324,685</b>	<b>\$2,242,630</b>	<b>0.0</b>
<b>Increase/(Decrease)</b>	\$41,531	(\$4,446)	\$0	\$45,977	0.0
Percentage Change	0.8%	(0.2%)	0.0%	2.1%	0.0%
<b>FY 2016-17 Executive Request:</b>	<b>\$5,434,039</b>	<b>\$2,821,125</b>	<b>\$399,247</b>	<b>\$2,213,667</b>	<b>0.0</b>
Request Above/(Below) Recommendation	\$22,793	(\$22,806)	\$74,562	(\$28,963)	0.0

**Capital Outlay**

This line item provides funding for the replacement of equipment and furnishings and minor facility renovations. For FY 2015-16, the General Assembly approved a request (R14) for \$790,955 General Fund for such purpose. Staff's recommendation last year included a recommendation that a portion of the funding continue to be provided annually in subsequent years to allow the institutes to replace equipment and make minor repairs on an ongoing basis based on the needs of the patients and staff, rather than submitting large requests every decade or so. Staff indicated that a portion of the existing Operating Expenses line item should likely be shifted to the Capital Outlay line item starting in FY 2016-17 to more accurately reflect likely capital outlay expenditures.

*Statutory Authority:* Section 26-1-201, C.R.S. [Programs administered and services provided by DHS]; Section 27-93-101, C.R.S. [CMHIP]

*Request:* The Department requests \$43,000 General Fund.

*Recommendation:* Staff recommends appropriating \$65,793 General Fund. Consistent with the request, staff's recommendation for FY 2016-17 includes elimination of the one-time funding provided for FY 2015-16, while maintaining \$43,000 of such funding for ongoing needs. In addition, based on information provided by the Department through an unofficial "contingent" budget request, staff recommends transferring \$22,793 General Fund from the Operating Expenses line item to this line item to more accurately reflect capital outlay expenditures. Please note that this contingent budget request also identified the need for an additional \$403,395 General Fund for ongoing capital outlay needs. However, this was not an official request, and staff has not included this amount in the recommendation.

**Pharmaceuticals**

This line item covers the cost of purchasing medication for CMHIP patients. The CMHIP pharmacy is responsible for dispensing general over-the-counter medications, general health-related medications for the treatment of conditions such as diabetes and hypertension, and psychiatric medications such as mood stabilizers, anti-depressants, and anti-psychotics.

*Statutory Authority:* Section 16-8.5-101, *et seq.*, C.R.S. [Criminal proceedings – competency to proceed]; Section 26-1-201, C.R.S. [Programs administered and services provided by DHS]; Section 27-93-101, C.R.S. [CMHIP]

*Request:* The Department requests \$3,783,371 total funds (including \$3,139,682 General Fund). The request is impacted by BA4 (Mental health institute revenue adjustments) and BA5 (Mental health institute pharmaceutical funding).

*Recommendation:* Staff recommends approving the request for a total of \$3,783,371. Staff's recommended fund sources differ from the request due to the allocation of revenue adjustments among line items. See the discussion concerning BA4 at the beginning of this packet for more information.

**Educational Programs**

This line item supports CMHIP staff and operating expenses associated with educational programs. Patients at CMHIP who are under age 21 receive educational services. These services include educational testing and assessment, treatment planning, special education, GED training and testing, and career education. This line item is supported by reappropriated funds transferred from the Department of Education (from the Facility Schools Funding line item) and General Fund.

*Statutory Authority:* Section 22-54-129, C.R.S. [Facility school funding]; Section 26-1-201, C.R.S. [Programs administered and services provided by DHS]; Section 27-93-101, C.R.S. [CMHIP]

*Request:* The Department requests a continuation level of funding (\$205,909 total funds and 2.7 FTE).

*Recommendation:* Staff recommends approving the request for a total of \$205,909 and 2.7 FTE. Staff's recommendation reflects the full amount of funding anticipated to be transferred from the Department of Education's Facility School Funding line item (\$153,189), with the remainder coming from the General Fund (\$52,720). Should the Committee's actions on the Department of Education's FY 2016-17 budget request modify the amount of funding anticipated to be transferred to CMHIP, staff will adjust these fund sources accordingly.

**Jail-based Competency Restoration Program**

Since FY 2013-14, this line item has provided funding for a 22-bed jail-based restoration program for defendants who have been determined by the court to be incompetent to proceed in their criminal cases. The Department has contracted with Correct Care, LLC (formerly known as GEO Care), to provide these services at the Arapahoe County Detention Facility in Centennial. This program is called the Restoring Individuals Safely and Effectively or "RISE" Program. The RISE Program generally serves men from the Denver metro area who: do not have significant medical needs identified; do not have significant medication compliance issues; and are likely to be restored in a relatively short period of time. The contracted daily rate for the jail-based restoration program is \$307.50 per day; this compares to the FY 2015-16 inpatient daily rate at CMHIP for forensic psychiatry of \$676.00 per day.

Last September, the Committee approved additional funding to support a new 30-bed jail-based program to house individuals requiring restoration treatment or competency evaluations. This program is intended to be available for defendants in all 64 counties. This new program is also operated by Correct Care and it is also located in the Arapahoe County Detention Facility. This program began accepting referrals February 1, 2016.

*Statutory Authority:* Section 16-8.5-101, *et seq.*, C.R.S. [Criminal proceedings – competency to proceed]; Section 26-1-201, C.R.S. [Programs administered and services provided by DHS]; Section 27-93-101, C.R.S. [CMHIP]

*JBC Staff Figure Setting: FY 2016-17*  
*Staff Working Document – Does Not Represent Committee Decision*

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*Request:* The Department requests \$6,039,250 General Fund and 3.0 FTE. The request is impacted by R3 (Court-ordered competency evaluations and restoration treatment), and it includes a decrease of \$24,692 General Fund for a 1.0 percent provider rate decrease (R19).

*Recommendation:* As detailed in the following table, staff recommends appropriating \$6,063,942 General Fund and 3.0 FTE. Consistent with the Committee's common policy, staff's recommendation excludes the proposed 1.0 percent reduction in provider rates.

<b>Behavioral Health Services, Mental Health Institute - Pueblo, Jail-based Competency Restoration Program</b>			
	<b>Total Funds</b>	<b>General Fund</b>	<b>FTE</b>
<b>FY 2015-16 Appropriation</b>			
SB 15-234 (Long Bill)	\$2,546,965	\$2,546,965	1.0
HB 16-1242 (Supplemental Bill)	<u>2,369,161</u>	<u>2,369,161</u>	<u>1.4</u>
<b>TOTAL</b>	<b>\$4,916,126</b>	<b>\$4,916,126</b>	<b>2.4</b>
<b>FY 2016-17 Recommended Appropriation</b>			
FY 2015-16 Appropriation	\$4,916,126	\$4,916,126	2.4
R3 Court-ordered competency evaluations and restoration treatment	1,146,613	1,146,613	0.6
R19 Community provider rate adjustment	0	0	0.0
<u>Annualize prior year budget action</u>	<u>1,203</u>	<u>1,203</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$6,063,942</b>	<b>\$6,063,942</b>	<b>3.0</b>
<b>Increase/(Decrease)</b>	\$1,147,816	\$1,147,816	0.6
Percentage Change	23.3%	23.3%	25.0%
<b>FY 2016-17 Executive Request:</b>	<b>\$6,039,250</b>	<b>\$6,039,250</b>	<b>3.0</b>
Request Above/(Below) Recommendation	(\$24,692)	(\$24,692)	0.0

**Circle Program**

The "Circle Program", located at the CMHIP, is an intensive treatment program that serves men and women who suffer from co-occurring mental health and substance use disorders. The Program offers a 90-day inpatient (but unlocked) therapeutic community setting that addresses mental illness, chemical dependence, personality disorders, and criminal behavior. This inpatient program admits adults who have been unsuccessful in other inpatient or outpatient substance abuse programs; many receive treatment through Circle as a condition of legal charges related to substance abuse. The following table details the types of employees that are supported by this line item.

<b>Staffing Summary</b>	<b>FY 2014-15</b>	<b>FY 2015-16</b>	<b>FY 2015-16</b>	
<b>Colorado Mental Health Institute-Pueblo, Circle Program</b>	<b>Actual</b>	<b>Appropriation</b>	<b>Request</b>	<b>Recomm.</b>
Administrative/Program Support Staff	Included	1.0	1.0	1.0
Management and Administration	in CMHIP	0.8	0.8	0.8
Nursing	Personal	12.0	12.0	12.0
Patient Support Services (e.g. , medical records, admissions, etc.)	Services	1.5	1.5	1.5
Psychology		1.3	1.3	1.3
Safety and Security		0.0	0.0	0.0
Social Work (e.g. , including Mental Health Clinicians)		3.5	3.5	3.5
Therapy (Vocational, Rehabilitation, Occupational)		<u>1.3</u>	<u>1.3</u>	<u>1.3</u>
<b>Total</b>		<b>21.3</b>	<b>21.3</b>	<b>21.3</b>

*Statutory Authority:* Section 26-1-201, C.R.S. [Programs administered and services provided by DHS]; Section 27-93-101, C.R.S. [CMHIP]; Section 39-28.8-501 (2) (b) (IV) (C), C.R.S. [Authorization for use of Marijuana Tax Cash Fund for substance abuse disorder treatment]

*Request:* The Department requests \$2,075,820 total funds and 21.3 FTE. The request includes a decrease of \$2,181 cash funds for a 1.0 percent provider rate decrease (R19).

*Recommendation:* Staff recommends appropriating \$2,078,001 total funds (including \$1,852,824 cash funds from the MTCF, \$207,856 cash funds from patient revenues, \$17,321 reappropriated funds transferred from HCPF) and 21.3 FTE. Consistent with the Committee's common policy, staff's recommendation excludes the proposed 1.0 percent reduction in provider rates. Staff's recommended fund sources differ from the request due to the allocation of revenue adjustments among line items. See the discussion concerning BA4 at the beginning of this packet for more information.

*JBC Staff Figure Setting: FY 2016-17*  
*Staff Working Document – Does Not Represent Committee Decision*

<b>Behavioral Health Services, Mental Health Institute - Pueblo, Circle Program</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>FTE</b>
<b>FY 2015-16 Appropriation</b>					
SB 15-234 (Long Bill)	\$2,136,789	\$0	\$2,119,468	\$17,321	21.3
HB 16-1242 (Supplemental Bill)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$2,136,789</b>	<b>\$0</b>	<b>\$2,119,468</b>	<b>\$17,321</b>	<b>21.3</b>
<b>FY 2016-17 Recommended Appropriation</b>					
FY 2015-16 Appropriation	\$2,136,789	\$0	\$2,119,468	\$17,321	21.3
R19 Community provider rate adjustment	0	0	0	0	0.0
BA4 MHI revenue adjustment	0	0	0	0	0.0
Centrally appropriated line items	<u>(58,788)</u>	<u>0</u>	<u>(58,788)</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$2,078,001</b>	<b>\$0</b>	<b>\$2,060,680</b>	<b>\$17,321</b>	<b>21.3</b>
<b>Increase/(Decrease)</b>	(\$58,788)	\$0	(\$58,788)	\$0	0.0
Percentage Change	(2.8%)	0.0%	(2.8%)	0.0%	0.0%
<b>FY 2016-17 Executive Request:</b>	<b>\$2,075,820</b>	<b>\$0</b>	<b>\$2,058,499</b>	<b>\$17,321</b>	<b>21.3</b>
Request Above/(Below) Recommendation	(\$2,181)	\$0	(\$2,181)	\$0	0.0

**Circle Program Business Plan Analysis**

This line item was first included in the FY 2015-16 Long Bill to a one-time appropriation of \$225,000 General Fund for the Department to contract with a vendor to conduct a business model analysis for the Circle Program. The selected vendor will:

- Evaluate the IMD<sup>8</sup> exclusion as it pertains to the Circle Program and the associated financial implications;
- Identify other treatment services and/or other populations that can be served through the Circle Program or through a modified/expanded Circle Program;
- Identify other business partners to maximize the benefits of the Circle Program;
- Evaluate how the Circle Program could become eligible to receive reimbursement from multiple payer sources, including Medicaid, Medicare, and private insurance;
- Analyze opportunities and the potential for the Circle Program to operate as an autonomous program, separate from the institutes; and

<sup>8</sup> The mental health institutes are defined under federal law as "institutions for mental disease" (IMD) because they have more than 16 beds and are primarily engaged in providing diagnosis, treatment, or care of persons with mental health disorders, including medical attention, nursing care, and related services. Under the "IMD exclusion", Medicaid will not reimburse the State for the inpatient hospitalization of adults ages 21 through 64 at the institutes. While Medicaid will pay for community mental health treatment services for an eligible adult within this age range, when the same adult is admitted to an institute the cost of his or her care is transferred entirely to the General Fund. In addition, for Medicaid-eligible patients outside this age range (*i.e.*, under age 21 or over age 64), there is a 45-day Medicaid inpatient psychiatric benefit limit (implemented in FY 2003-04). If one of these patients remains at an institute for longer than 45 days, the costs of care shift to the General Fund.

- Research and evaluate alternate location options for the Circle Program which would provide the maximum benefit for the population served.

*Statutory Authority:* Section 26-1-201, C.R.S. [Programs administered and services provided by DHS]; Section 27-93-101, C.R.S. [CMHIP]

*Request:* The Department's request reflects elimination of this funding for FY 2016-17, as anticipated.

*Recommendation:* Staff recommends approving the request.

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## **Long Bill Footnotes and Requests for Information**

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### **LONG BILL FOOTNOTES**

Staff recommends **continuing** the following footnotes, with modifications in struck type and small caps:

- 37 Department of Human Services, Behavioral Health Services, Integrated Behavioral Health Services, Rural Co-occurring Disorder Services -- It is the intent of the General Assembly that this appropriation be used for the purpose of providing a full continuum of co-occurring behavioral health treatment services in southern Colorado and the Arkansas Valley.

Comment: This line item appropriation was first included in the FY 2013-14 Long Bill to provide funding (\$500,000 General Fund) for a full continuum of co-occurring behavioral health services to adolescents and adults in southern Colorado and the Arkansas Valley. It is staff's understanding that this appropriation was provided based on data that demonstrated a gap in the service delivery system for southern Colorado related to the co-occurring, dually diagnosed population -- primary substance use and secondary mental health (Axis I) anxiety and depression. A corresponding footnote like the one above was included to specify the General Assembly's intent in making the appropriation.

The Department awarded these funds to Crossroads' Turning Point, Inc. (CTP), a partner in Signal Behavioral Health Network, Inc., as a result of the request for proposal process. The counties in sub-state planning area #4 benefit from this appropriation, including: Alamosa, Baca, Bent, Conejos, Costilla, Crowley, Huerfano, Kiowa, Las Animas, Mineral, Otero, Prowers, Pueblo, Rio Grande, and Saguache. The Department indicates that specific treatment clinics are located in Alamosa, Lamar, La Junta, Pueblo, and Walsenburg.

The services CTP provides include residential and outpatient based services with a combination of individual and group mental health therapies, individual and group substance use treatment, case management, medication assisted therapy, substance use testing, and other similar services.

For FY 2015-16, the General Assembly increased this appropriation by \$500,000, over and above the \$21,213 that has been added consistent with the statewide policy concerning community provider rates.

- 38 Department of Human Services, Behavioral Health Services, Mental Health Institutes - In addition to the transfer authority provided in Section 24-75-108, C.R.S., the Department is authorized to transfer up to 10.0 percent of the total appropriations in this subsection among line items in this subsection.

Comment: This footnote was first included in the FY 2014-15 Long Bill. The FY 2014-15 Long Bill included two format changes to maintain a transparent delineation of

expenditures at the Mental Health Institutes while allowing the Department more flexibility to manage these appropriations and minimize the number mid-year appropriation adjustments. First, funding for outside medical expenses was removed from the Personal Services line items for each Institute and placed in a two new line item appropriations for "Contract Medical Services" – one for each Institute. Second, the above footnote was added to allow the Department to transfer up to 10 percent of the total appropriations in the Mental Health Institutes subsection of the Long Bill, starting in FY 2014-15.

In FY 2014-15, the Department was authorized to transfer a total of \$10,532,975 among line items (\$105,329,750 X 10%). The Department transferred a total of \$1,764,711 (1.7 percent of total appropriations) among line items in FY 2014-15.

Staff recommends **discontinuing** the following footnotes:

~~35 Department of Human Services, Behavioral Health Services, Mental Health Community Programs, Mental Health First Aid — It is the intent of the General Assembly that this appropriation be used for the purpose of augmenting existing contracts with the approved agencies as specified in Section 27-66-104, C.R.S., in order to train additional Mental Health First Aid instructors.~~

Comment: This footnote was first included in H.B. 14-1238, the supplemental bill for the Department for FY 2013-14, and was continued in the FY 2014-15 Long Bill. The purpose of the footnote is to express the General Assembly's intent that the Department simply augment existing contracts, rather than using a request for proposal process, to administer the funding provided for Mental Health First Aid training and certification.

In April 2014, the Department awarded a contract to the Colorado Behavioral Healthcare Council (CBHC) and the Mental Health First Aid Colorado initiative to manage the \$266,730 that was appropriated mid-year for FY 2013-14.

For FY 2014-15, the Department chose to use an RFP process. The contract was awarded to CBHC and the Mental Health First Aid Colorado initiative. The \$750,000 appropriation for FY 2014-15 was awarded in three parts:

- \$107,756 was awarded through a two-month extension of the FY 2013-14 contract (for July and August of 2014).
- For a brief period in September 2014 there was a gap in funding that resulted from the finalization of the RFP and issuance of an interim purchase order.
- \$154,479 was awarded through an interim purchase order for the period October 1 through December 31, 2014.
- The remaining \$487,765 was contracted out for the period from January 1 through June 30, 2015.

The Department has indicated that it is not required to use an RFP process for awarding the \$210,000 General Fund that has been appropriated for Mental Health First Aid in FY 2015-

16, and the Department can renew the contract with CBHC for an additional four years (FY 2015-16 through FY 2018-19).

~~36 Department of Human Services, Behavioral Health Services, Substance Use Treatment and Prevention – It is the intent of the General Assembly that the Department refrain from withholding any portion of the state funds appropriated in this section from contractors for the purpose of making subsequent incentive-based payments.~~

Comment: Staff recommends discontinuing this footnote as the Department has responded by deciding not to withhold performance funding up front, but rather to "claw back" funds (if necessary) after performance metrics are analyzed each quarter. This change has reduced provider cash flow concerns.

*Background Information:* This footnote was first included in H.B. 14-1336 (the FY 2014-15 Long Bill) to express the General Assembly's intent that the Department not move forward with certain contract changes until certain actions are taken. The above version of this footnote states the General Assembly's intent that the Department refrain from withholding state funds from contractors for the purpose of making subsequent incentive-based payments. The Department provided the following information concerning this footnote as part of the November 2, 2015 budget submission:

"The Department is increasingly using performance-based contracts to incentivize providers to improve their performance. In this instance, the Department continued to gradually implement performance-based contracts where possible and applied state funds and federal funds equally to any performance-incentive pool. Implementation of performance-based contracting has been gradual and designed in such a way that most providers are successful at meeting performance targets. In FY 2014-15, the Department used a total of \$64,904 for performance-based contracts; \$2,774 of this total was state funds."

In addition, in response to a JBC staff request, the Department provided information about the specific behavioral health line item appropriations for which FY 2015-16 contracts include a provision that makes a portion of the contractor's payment contingent on certain performance data. The Department identified the following information for each line item:

- The dollar amount and fund source for each performance award;
- The number of programs and contracts affected; and
- A description of the performance criteria.

The Department has made a portion of a contractor's payment contingent on certain performance data for a total of eight line items in FY 2015-16. For these line items, a total of \$7,154,413 (9.2 percent) is at risk, including \$4,695,747 state funds and \$2,458,666 federal funds. The Department indicates that the difference in the performance percentages assigned to each contract reflects the variations in negotiations

between the Department and program contractors. Performance criteria generally focus on a client's engagement in mental health treatment, access to substance use treatment, improvement in mental health symptom severity, and reduction in substance use.

Long Bill footnote #36 only pertains to line item appropriations in the "Substance Use Treatment and Prevention" subsection. The Department has made the payment of \$2,269,013 (primarily federal funds) to managed service organizations (MSOs) contingent on certain performance data. The MSOs subcontract with local substance use treatment providers to deliver services. These providers vary significantly in size, ranging from a small provider with one location that might serve fewer than 130 individuals in a year to a large provider with 13 locations serving more than 23,000 individuals in a year.

Generally, MSOs and providers are supportive of contracts that require accountability and improve service quality and patient outcomes. The MSOs are pleased that the Department decided not to withhold performance funding up front, but rather to "claw back" funds (if necessary) after performance metrics are analyzed each quarter. This change has reduced provider cash flow concerns. However, the MSOs continue to express concern about the performance measures and benchmarks selected by the Department, the data and reporting requirements associated with these (and other) measures, and the impact of these measures on small providers that serve a small number of clients.

## **REQUESTS FOR INFORMATION**

Staff recommends **continuing** the following requests for information, with modifications in struck type and small caps:

- 16 Department of Human Services, Behavioral Health Services, Mental Health Community Programs, Mental Health First Aid -- The Department is requested to provide, by November 1, ~~2015~~, 2016, a report concerning the expenditure and impact of state funds to support mental health first aid training. The Department is requested to include information concerning the number of instructors who were trained and the number of educators, first responders, and military service personnel who were certified as a result of ~~FY 2014-15~~ FY 2015-16 expenditures. The Department is also requested to provide information about planned expenditures for ~~FY 2015-16~~. FY 2016-17.

Comment: This request is intended to ensure that the General Assembly is informed about the impact of state funding for Mental Health First Aid training.

Staff recommends **discontinuing** the following requests for information:

- ~~17 Department of Health Care Policy and Financing, Department of Human Services Medicaid-funded Programs, Behavioral Health Services – Medicaid Funding, High Risk Pregnant Women Program – This appropriation is intended to include sufficient funding for the Department of Health Care Policy and Financing to implement the following provider rate increases for this program: (a) a \$13.98 (91.3 percent) increase in the~~

~~outpatient group rate; (b) a \$31.26 (20.0 percent) increase in the per diem rate; plus (c) an overall rate increase of 1.7 percent.~~

**Comment:** This footnote was included in FY 2015-16 to identify the specific rate increases for which funding was provided. The Department indicated that the above rate increases have not yet been implemented. The federal Centers for Medicare and Medicaid Services (CMS) has not yet approved the State Plan Amendment (Clinical Services SPA) that would allow the Department to implement the increase. The Department submitted the Amendment on June 3, 2015. The Department does not currently have an estimated approval date from CMS. When CMS does approve the rate, we will be able to implement it retroactively back to July 1, 2015. The request, and the recommended funding for FY 2016-17, assumes that these rate increases will be implemented at some point in FY 2015-16 and then be continued in FY 2016-17.

*JBC Staff Staff Figure Setting - FY 2016-17*  
*Staff Working Document - Does Not Represent Committee Decision*

**Appendix A: Number Pages**

	<b>FY 2013-14 Actual</b>	<b>FY 2014-15 Actual</b>	<b>FY 2015-16 Appropriation</b>	<b>FY 2016-17 Request</b>	<b>FY 2016-17 Recommendation</b>
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<p><b>DEPARTMENT OF HUMAN SERVICES</b>  <b>Reggie Bicha, Executive Director</b></p>
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**(8) BEHAVIORAL HEALTH SERVICES**

The Office of Behavioral Health is responsible for policy development, service provision and coordination, program monitoring and evaluation, and administrative oversight of the State's public behavioral health system. Funding in this section supports community-based mental health and substance use disorder services that are not otherwise available. [Most mental health and substance use disorder services for Medicaid-eligible individuals are funded through the Department of Health Care Policy and Financing (HCPF).] Funding in this section also supports administration and operation of the State's two Mental Health Institutes. This section is primarily supported by General Fund, the federal Substance Abuse Prevention and Treatment Block Grant, transfers from HCPF (originating as General Fund and federal Medicaid funds), Mental Health Institute patient revenues, the federal Mental Health Services Block Grant, transfers from the Judicial Branch (originating as General Fund and drug offender surcharge revenues), tobacco litigation settlement moneys that are credited to the Offender Mental Health Services Fund, and marijuana tax revenues.

**(A) Community Behavioral Health Administration**

Funding in this section supports staff who administer community-based mental health and substance use disorder services. This section is primarily supported by the federal Substance Abuse Prevention and Treatment Block Grant, the federal Mental Health Services Block Grant, General Fund, and transfers from HCPF (originating as General Fund and federal Medicaid funds).

Personal Services	<u>4,110,516</u>	<u>4,331,440</u>	<u>4,967,620</u>	<u>5,262,000</u>	<u>5,204,927</u> *
FTE	49.5	49.3	59.2	62.5	61.6
General Fund	1,264,817	1,323,612	1,461,284	1,659,469	1,659,469
Cash Funds	209,395	240,399	318,090	375,163	318,090
Reappropriated Funds	663,540	764,781	862,087	878,854	878,854
Federal Funds	1,972,764	2,002,648	2,326,159	2,348,514	2,348,514

**JBC Staff Staff Figure Setting - FY 2016-17**  
**Staff Working Document - Does Not Represent Committee Decision**

	<b>FY 2013-14 Actual</b>	<b>FY 2014-15 Actual</b>	<b>FY 2015-16 Appropriation</b>	<b>FY 2016-17 Request</b>	<b>FY 2016-17 Recommendation</b>
Operating Expenses	<u>270,638</u>	<u>254,436</u>	<u>307,139</u>	<u>304,041</u>	<u>293,030</u> *
General Fund	24,381	19,679	36,638	22,529	22,529
Cash Funds	13,736	22,096	36,524	47,535	36,524
Reappropriated Funds	12,715	2,563	16,266	16,266	16,266
Federal Funds	219,806	210,098	217,711	217,711	217,711
Federal Programs and Grants	<u>133,850</u>	<u>8,271</u>	<u>2,567,997</u>	<u>2,567,997</u>	<u>21,000</u>
FTE	0.5	0.0	1.5	1.5	0.0
Federal Funds	133,850	8,271	2,567,997	2,567,997	21,000
Indirect Cost Assessment	<u>278,719</u>	<u>2,088</u>	<u>270,861</u>	<u>270,861</u>	<u>270,861</u>
Cash Funds	1,410	2,088	3,280	3,280	3,280
Federal Funds	277,309	0	267,581	267,581	267,581
Other Federal Grants	<u>284,128</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FTE	2.3	0.0	0.0	0.0	0.0
Federal Funds	284,128	0	0	0	0
<b>SUBTOTAL - (A) Community Behavioral Health Administration</b>	<b>5,077,851</b>	<b>4,596,235</b>	<b>8,113,617</b>	<b>8,404,899</b>	<b>5,789,818</b>
<b>FTE</b>	<u><b>52.3</b></u>	<u><b>49.3</b></u>	<u><b>60.7</b></u>	<u><b>64.0</b></u>	<u><b>61.6</b></u>
General Fund	1,289,198	1,343,291	1,497,922	1,681,998	1,681,998
Cash Funds	224,541	264,583	357,894	425,978	357,894
Reappropriated Funds	676,255	767,344	878,353	895,120	895,120
Federal Funds	2,887,857	2,221,017	5,379,448	5,401,803	2,854,806

**JBC Staff Staff Figure Setting - FY 2016-17**  
**Staff Working Document - Does Not Represent Committee Decision**

	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	FY 2016-17 Recommendation
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**(B) Mental Health Community Programs**

This section provides funding to support mental health services delivered through Colorado's community mental health centers. This section is primarily supported by General Fund, the federal Mental Health Services Block Grant, and tobacco litigation settlement moneys that are credited to the Offender Mental Health Services Fund.

Services for Indigent Mentally Ill Clients	<u>39,129,072</u>	<u>36,629,154</u>	<u>37,434,930</u>	<u>37,124,535</u>	<u>37,636,753</u> *
General Fund	33,029,170	30,413,968	31,039,452	30,729,057	31,039,452
Reappropriated Funds	0	0	161,909	161,909	161,909
Federal Funds	6,099,902	6,215,186	6,233,569	6,233,569	6,435,392
Medications for Indigent Mentally Ill Clients	<u>1,705,423</u>	<u>1,521,855</u>	<u>1,554,437</u>	<u>1,538,893</u>	<u>1,554,437</u> *
General Fund	1,705,423	1,521,855	1,554,437	1,538,893	1,554,437
School-based Mental Health Services	<u>0</u>	<u>1,188,380</u>	<u>1,213,254</u>	<u>1,201,121</u>	<u>1,213,254</u> *
General Fund	0	1,188,380	1,213,254	1,201,121	1,213,254
Assertive Community Treatment Programs	<u>658,104</u>	<u>674,557</u>	<u>5,489,587</u>	<u>5,434,691</u>	<u>5,489,587</u> *
General Fund	658,104	674,557	4,803,563	4,755,527	4,803,563
Cash Funds	0	0	686,024	679,164	686,024
Alternatives to Inpatient Hospitalization at a Mental Health Institute	<u>3,201,657</u>	<u>3,261,625</u>	<u>3,337,487</u>	<u>3,304,112</u>	<u>3,337,487</u> *
General Fund	3,201,657	3,261,625	3,337,487	3,304,112	3,337,487
Mental Health Services for Juvenile and Adult Offenders	<u>3,297,287</u>	<u>3,088,993</u>	<u>3,061,390</u>	<u>3,061,390</u>	<u>3,025,192</u>
Cash Funds	3,297,287	3,088,993	3,061,390	3,061,390	3,025,192

**JBC Staff Staff Figure Setting - FY 2016-17**  
**Staff Working Document - Does Not Represent Committee Decision**

	<b>FY 2013-14 Actual</b>	<b>FY 2014-15 Actual</b>	<b>FY 2015-16 Appropriation</b>	<b>FY 2016-17 Request</b>	<b>FY 2016-17 Recommendation</b>
Mental Health Treatment Services for Youth (H.B. 99-1116)	<u>922,172</u>	<u>725,331</u>	<u>1,078,847</u>	<u>1,071,059</u>	<u>1,078,847</u> *
General Fund	622,172	417,309	655,223	648,671	655,223
Cash Funds	300,000	299,345	300,000	300,000	300,000
Reappropriated Funds	0	8,677	123,624	122,388	123,624
Mental Health First Aid	<u>266,730</u>	<u>750,000</u>	<u>210,000</u>	<u>210,000</u>	<u>210,000</u>
General Fund	266,730	750,000	210,000	210,000	210,000
<b>SUBTOTAL - (B) Mental Health Community Programs</b>	<b>49,180,445</b>	<b>47,839,895</b>	<b>53,379,932</b>	<b>52,945,801</b>	<b>53,545,557</b>
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	39,483,256	38,227,694	42,813,416	42,387,381	42,813,416
Cash Funds	3,597,287	3,388,338	4,047,414	4,040,554	4,011,216
Reappropriated Funds	0	8,677	285,533	284,297	285,533
Federal Funds	6,099,902	6,215,186	6,233,569	6,233,569	6,435,392

**JBC Staff Staff Figure Setting - FY 2016-17**  
**Staff Working Document - Does Not Represent Committee Decision**

	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	FY 2016-17 Recommendation
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**(C) Substance Use Treatment and Prevention**

This section provides funding to support community-based substance use disorder services not otherwise available. This section also includes funding for pregnant women in need of substance use disorder treatment (including women who are eligible for Medicaid), as well as funding for a variety of substance abuse prevention programs. This section is primarily supported by the federal Substance Abuse Prevention and Treatment Block Grant, General Fund, transfers from HCPF (which originate as General Fund and federal Medicaid funds), transfers from the Judicial Branch (which originate as General Fund and drug offender surcharge revenues), and marijuana tax revenues.

**(I) Treatment Services**

Treatment and Detoxification Contracts	<u>30,414,104</u>	<u>30,743,690</u>	<u>24,327,561</u>	<u>28,844,364</u>	<u>36,397,316</u> *
General Fund	11,550,713	11,793,199	12,555,021	11,934,471	12,242,908
Cash Funds	331,216	1,602,901	359,905	5,497,258	6,359,905
Reappropriated Funds	760,150	939,299	1,064,688	1,064,688	1,064,688
Federal Funds	17,772,025	16,408,291	10,347,947	10,347,947	16,729,815
 Case Management for Chronic Detoxification					
Clients	<u>369,359</u>	<u>411,673</u>	<u>369,464</u>	<u>369,438</u>	<u>369,464</u> *
General Fund	2,476	2,538	2,581	2,555	2,581
Federal Funds	366,883	409,135	366,883	366,883	366,883
 Short-term Intensive Residential Remediation and					
Treatment (STIRRT)	<u>3,407,498</u>	<u>3,447,833</u>	<u>3,574,435</u>	<u>3,637,970</u>	<u>3,669,435</u> *
General Fund	3,018,432	3,039,845	3,146,489	3,115,024	3,146,489
Reappropriated Funds	389,066	407,988	427,946	522,946	522,946
 High Risk Pregnant Women Program					
Reappropriated Funds	<u>1,138,015</u>	<u>969,806</u>	<u>1,600,000</u>	<u>1,589,306</u>	<u>1,600,000</u> *

**JBC Staff Staff Figure Setting - FY 2016-17**  
**Staff Working Document - Does Not Represent Committee Decision**

	<b>FY 2013-14 Actual</b>	<b>FY 2014-15 Actual</b>	<b>FY 2015-16 Appropriation</b>	<b>FY 2016-17 Request</b>	<b>FY 2016-17 Recommendation</b>
<b>SUBTOTAL - (I) Treatment Services</b>	35,328,976	35,573,002	29,871,460	34,441,078	42,036,215
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	14,571,621	14,835,582	15,704,091	15,052,050	15,391,978
Cash Funds	331,216	1,602,901	359,905	5,497,258	6,359,905
Reappropriated Funds	2,287,231	2,317,093	3,092,634	3,176,940	3,187,634
Federal Funds	18,138,908	16,817,426	10,714,830	10,714,830	17,096,698
<b>(II) Prevention and Intervention</b>					
Prevention Contracts	<u>5,390,967</u>	<u>5,398,574</u>	<u>3,982,941</u>	<u>3,967,590</u>	<u>5,589,289</u> *
General Fund	33,649	34,490	35,076	34,725	35,076
Cash Funds	21,378	85,312	121,635	106,635	106,635
Federal Funds	5,335,940	5,278,772	3,826,230	3,826,230	5,447,578
Persistent Drunk Driver Programs	<u>1,662,028</u>	<u>1,890,919</u>	<u>2,035,823</u>	<u>2,035,823</u>	<u>2,035,823</u>
Cash Funds	1,662,028	1,890,919	2,035,823	2,035,823	2,035,823
Law Enforcement Assistance Fund Contracts	<u>100,000</u>	<u>255,000</u>	<u>255,000</u>	<u>255,000</u>	<u>255,000</u>
Cash Funds	100,000	255,000	255,000	255,000	255,000
<b>SUBTOTAL - (II) Prevention and Intervention</b>	7,152,995	7,544,493	6,273,764	6,258,413	7,880,112
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	33,649	34,490	35,076	34,725	35,076
Cash Funds	1,783,406	2,231,231	2,412,458	2,397,458	2,397,458
Federal Funds	5,335,940	5,278,772	3,826,230	3,826,230	5,447,578
<b>(III) Other Programs</b>					
Federal Grants	<u>5,380,355</u>	<u>3,220,975</u>	<u>2,625,422</u>	<u>2,625,422</u>	<u>3,287,818</u>
FTE	0.0	0.0	0.0	0.0	0.0
Federal Funds	5,380,355	3,220,975	2,625,422	2,625,422	3,287,818

**JBC Staff Staff Figure Setting - FY 2016-17**  
**Staff Working Document - Does Not Represent Committee Decision**

	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	FY 2016-17 Recommendation
Balance of Substance Abuse Block Grant Programs	<u>343,319</u>	<u>216,467</u>	<u>6,683,127</u>	<u>6,681,150</u>	<u>109,848</u> *
General Fund	189,688	175,543	197,735	195,758	9,848
Federal Funds	153,631	40,924	6,485,392	6,485,392	100,000
Community Prevention and Treatment	<u>782,400</u>	<u>692,659</u>	<u>765,348</u>	<u>765,348</u>	<u>756,298</u>
Cash Funds	782,400	692,659	765,348	765,348	756,298
Rural Substance Abuse Prevention and Treatment	<u>88,443</u>	<u>124,829</u>	<u>151,243</u>	<u>151,243</u>	<u>175,000</u>
Cash Funds	88,443	124,829	151,243	151,243	175,000
Gambling Addiction Counseling Services	<u>65,949</u>	<u>82,343</u>	<u>269,000</u>	<u>269,000</u>	<u>100,000</u> *
Cash Funds	0	0	269,000	0	100,000
Reappropriated Funds	65,949	82,343	0	269,000	0
<b>SUBTOTAL - (III) Other Programs</b>	6,660,466	4,337,273	10,494,140	10,492,163	4,428,964
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	189,688	175,543	197,735	195,758	9,848
Cash Funds	870,843	817,488	1,185,591	916,591	1,031,298
Reappropriated Funds	65,949	82,343	0	269,000	0
Federal Funds	5,533,986	3,261,899	9,110,814	9,110,814	3,387,818
<b>SUBTOTAL - (C) Substance Use Treatment and Prevention</b>	49,142,437	47,454,768	46,639,364	51,191,654	54,345,291
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	14,794,958	15,045,615	15,936,902	15,282,533	15,436,902
Cash Funds	2,985,465	4,651,620	3,957,954	8,811,307	9,788,661
Reappropriated Funds	2,353,180	2,399,436	3,092,634	3,445,940	3,187,634
Federal Funds	29,008,834	25,358,097	23,651,874	23,651,874	25,932,094

**JBC Staff Staff Figure Setting - FY 2016-17**  
**Staff Working Document - Does Not Represent Committee Decision**

	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	FY 2016-17 Recommendation
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**(D) Integrated Behavioral Health Services**

This section provides funding for: a statewide behavioral health crisis response system; behavioral health services and supports for individuals transitioning from the Mental Health Institutes to the community; and community-based mental health and substance use disorder services for offenders and other specialized populations. This section is supported by General Fund, transfers from the Judicial Branch (originating as General Fund and drug offender surcharge revenues), and marijuana tax revenues.

Crisis Response System - Walk-in, Stabilization, Mobile, Residential, and Respite Services	<u>0</u>	<u>22,007,161</u>	<u>22,892,550</u>	<u>22,501,561</u>	<u>22,952,410</u> *
General Fund	0	22,007,161	22,892,550	22,501,561	22,952,410
Crisis Response System - Telephone Hotline	<u>659,699</u>	<u>2,355,865</u>	<u>2,395,915</u>	<u>2,371,956</u>	<u>2,395,915</u> *
General Fund	659,699	2,355,865	2,395,915	2,371,956	2,395,915
Crisis Response System - Marketing	<u>600,000</u>	<u>615,000</u>	<u>600,000</u>	<u>600,000</u>	<u>600,000</u>
General Fund	600,000	615,000	600,000	600,000	600,000
Community Transition Services	<u>2,437,827</u>	<u>4,801,597</u>	<u>5,147,901</u>	<u>5,896,422</u>	<u>5,147,901</u> *
General Fund	2,437,827	4,801,597	5,147,901	5,096,422	5,147,901
Cash Funds	0	0	0	800,000	0
Jail-based Behavioral Health Services	<u>2,999,779</u>	<u>1,207,129</u>	<u>5,128,522</u>	<u>5,033,522</u>	<u>5,083,522</u> *
Cash Funds	0	0	0	0	0
Reappropriated Funds	2,999,779	1,207,129	5,128,522	5,033,522	5,083,522
Rural Co-occurring Disorder Services	<u>324,200</u>	<u>512,500</u>	<u>1,021,213</u>	<u>1,011,001</u>	<u>1,021,213</u> *
General Fund	324,200	512,500	1,021,213	1,011,001	1,021,213

**JBC Staff Staff Figure Setting - FY 2016-17**  
**Staff Working Document - Does Not Represent Committee Decision**

	<b>FY 2013-14 Actual</b>	<b>FY 2014-15 Actual</b>	<b>FY 2015-16 Appropriation</b>	<b>FY 2016-17 Request</b>	<b>FY 2016-17 Recommendation</b>
<b>SUBTOTAL - (D) Integrated Behavioral Health</b>					
<b>Services</b>	7,021,505	31,499,252	37,186,101	37,414,462	37,200,961
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	4,021,726	30,292,123	32,057,579	31,580,940	32,117,439
Cash Funds	0	0	0	800,000	0
Reappropriated Funds	2,999,779	1,207,129	5,128,522	5,033,522	5,083,522

**(E) Mental Health Institutes**

The Department administers and operates two Mental Health Institutes providing inpatient hospitalization for individuals with serious mental illness. The Institutes provide comprehensive psychiatric, psychological, rehabilitation, and therapeutic care. This section is primarily supported by General Fund, patient revenues (including federal Medicare funds and transfers from HCPF that originate as General Fund and federal Medicaid funds), funds transferred from the Department of Corrections (DOC) for food services provided by CMHIP to DOC facilities located on the Pueblo campus, and marijuana tax revenues.

**(1) Mental Health Institute - Ft. Logan**

Personal Services	<u>18,367,445</u>	<u>17,951,731</u>	<u>18,653,854</u>	<u>19,093,058</u>	<u>19,131,795</u> *
FTE	229.1	229.1	218.5	218.6	218.6
General Fund	16,385,815	16,214,105	16,782,519	17,210,825	17,260,460
Cash Funds	1,949,875	1,618,778	1,845,937	1,875,373	1,845,937
Reappropriated Funds	31,755	118,848	25,398	6,860	25,398
Contract Medical Services	<u>0</u>	<u>814,208</u>	<u>1,269,465</u>	<u>1,269,465</u>	<u>1,269,465</u>
General Fund	0	814,208	1,269,465	1,269,465	1,269,465
Operating Expenses	<u>1,146,270</u>	<u>1,196,938</u>	<u>1,074,076</u>	<u>1,078,092</u>	<u>1,066,278</u>
General Fund	986,987	1,073,211	909,844	918,683	902,046
Cash Funds	123,601	123,727	136,753	123,727	136,753
Reappropriated Funds	35,682	0	27,479	35,682	27,479

**JBC Staff Staff Figure Setting - FY 2016-17**  
**Staff Working Document - Does Not Represent Committee Decision**

	<b>FY 2013-14 Actual</b>	<b>FY 2014-15 Actual</b>	<b>FY 2015-16 Appropriation</b>	<b>FY 2016-17 Request</b>	<b>FY 2016-17 Recommendation</b>
Capital Outlay	0	0	920,448	9,000	20,814
General Fund	0	0	920,448	9,000	20,814
Pharmaceuticals	<u>1,131,750</u>	<u>1,128,323</u>	<u>1,353,110</u>	<u>1,353,110</u>	<u>1,353,110</u>
General Fund	993,851	1,067,956	1,209,136	1,215,211	1,209,136
Cash Funds	107,007	60,367	123,417	107,007	123,417
Reappropriated Funds	30,892	0	20,557	30,892	20,557
<b>SUBTOTAL - (1) Mental Health Institute - Ft.</b>					
<b>Logan</b>	20,645,465	21,091,200	23,270,953	22,802,725	22,841,462
FTE	<u>229.1</u>	<u>229.1</u>	<u>218.5</u>	<u>218.6</u>	<u>218.6</u>
General Fund	18,366,653	19,169,480	21,091,412	20,623,184	20,661,921
Cash Funds	2,180,483	1,802,872	2,106,107	2,106,107	2,106,107
Reappropriated Funds	98,329	118,848	73,434	73,434	73,434
<b>(2) Mental Health Institute - Pueblo</b>					
Personal Services	<u>65,082,366</u>	<u>70,838,650</u>	<u>68,405,709</u>	<u>70,151,151</u>	<u>70,237,997</u> *
FTE	993.1	1,023.7	980.6	983.2	983.2
General Fund	56,493,778	57,736,095	58,996,668	60,813,734	60,828,956
Cash Funds	5,640,594	5,484,689	3,026,908	2,909,792	2,658,908
Reappropriated Funds	2,947,994	7,617,866	6,382,133	6,427,625	6,750,133
Contract Medical Services	0	<u>3,569,146</u>	<u>3,589,425</u>	<u>3,589,425</u>	<u>3,589,425</u>
General Fund	0	3,569,146	3,589,425	3,589,425	3,589,425
Operating Expenses	<u>5,262,458</u>	<u>5,853,469</u>	<u>5,369,715</u>	<u>5,434,039</u>	<u>5,411,246</u> *
General Fund	4,425,217	3,200,568	2,848,377	2,821,125	2,843,931
Cash Funds	345,086	709,620	324,685	399,247	324,685
Reappropriated Funds	492,155	1,943,281	2,196,653	2,213,667	2,242,630

**JBC Staff Staff Figure Setting - FY 2016-17**  
**Staff Working Document - Does Not Represent Committee Decision**

	<b>FY 2013-14 Actual</b>	<b>FY 2014-15 Actual</b>	<b>FY 2015-16 Appropriation</b>	<b>FY 2016-17 Request</b>	<b>FY 2016-17 Recommendation</b>
Capital Outlay	<u>0</u>	<u>0</u>	<u>790,955</u>	<u>43,000</u>	<u>65,793</u>
General Fund	0	0	790,955	43,000	65,793
Pharmaceuticals	<u>3,304,236</u>	<u>3,447,299</u>	<u>3,783,371</u>	<u>3,783,371</u>	<u>3,783,371</u> *
General Fund	2,660,547	3,149,894	3,165,707	3,139,682	3,165,707
Cash Funds	297,405	297,405	254,851	297,405	254,851
Reappropriated Funds	346,284	0	362,813	346,284	362,813
Educational Programs	<u>361,632</u>	<u>168,121</u>	<u>205,909</u>	<u>205,909</u>	<u>205,909</u>
FTE	2.2	2.4	2.7	2.7	2.7
General Fund	34,555	0	52,720	52,720	52,720
Reappropriated Funds	104,085	132,026	153,189	153,189	153,189
Federal Funds	222,992	36,095	0	0	0
Jail-based Competency Restoration Program	<u>1,424,610</u>	<u>2,197,506</u>	<u>4,916,126</u>	<u>6,039,250</u>	<u>6,063,942</u> *
FTE	1.0	1.0	2.4	3.0	3.0
General Fund	1,424,610	2,197,506	4,916,126	6,039,250	6,063,942
Circle Program	<u>0</u>	<u>0</u>	<u>2,136,789</u>	<u>2,075,820</u>	<u>2,078,001</u> *
FTE	0.0	0.0	21.3	21.3	21.3
General Fund	0	0	0	0	0
Cash Funds	0	0	2,119,468	2,058,499	2,060,680
Reappropriated Funds	0	0	17,321	17,321	17,321
Circle Program Business Plan Analysis	<u>0</u>	<u>0</u>	<u>225,000</u>	<u>0</u>	<u>0</u>
FTE	0.0	0.0	0.0	0.0	0.0
General Fund	0	0	225,000	0	0

**JBC Staff Staff Figure Setting - FY 2016-17**  
**Staff Working Document - Does Not Represent Committee Decision**

	<b>FY 2013-14 Actual</b>	<b>FY 2014-15 Actual</b>	<b>FY 2015-16 Appropriation</b>	<b>FY 2016-17 Request</b>	<b>FY 2016-17 Recommendation</b>
<b>SUBTOTAL - (2) Mental Health Institute - Pueblo</b>	75,435,302	86,074,191	89,422,999	91,321,965	91,435,684
<i>FTE</i>	<u>996.3</u>	<u>1027.1</u>	<u>1007.0</u>	<u>1010.2</u>	<u>1010.2</u>
General Fund	65,038,707	69,853,209	74,584,978	76,498,936	76,610,474
Cash Funds	6,283,085	6,491,714	5,725,912	5,664,943	5,299,124
Reappropriated Funds	3,890,518	9,693,173	9,112,109	9,158,086	9,526,086
Federal Funds	222,992	36,095	0	0	0
<b>SUBTOTAL - (E) Mental Health Institutes</b>	96,080,767	107,165,391	112,693,952	114,124,690	114,277,146
<i>FTE</i>	<u>1,225.4</u>	<u>1,256.2</u>	<u>1,225.5</u>	<u>1,228.8</u>	<u>1,228.8</u>
General Fund	83,405,360	89,022,689	95,676,390	97,122,120	97,272,395
Cash Funds	8,463,568	8,294,586	7,832,019	7,771,050	7,405,231
Reappropriated Funds	3,988,847	9,812,021	9,185,543	9,231,520	9,599,520
Federal Funds	222,992	36,095	0	0	0
<b>TOTAL - (8) Behavioral Health Services</b>	206,503,005	238,555,541	258,012,966	264,081,506	265,158,773
<i>FTE</i>	<u>1,277.7</u>	<u>1,305.5</u>	<u>1,286.2</u>	<u>1,292.8</u>	<u>1,290.4</u>
General Fund	142,994,498	173,931,412	187,982,209	188,054,972	189,322,150
Cash Funds	15,270,861	16,599,127	16,195,281	21,848,889	21,563,002
Reappropriated Funds	10,018,061	14,194,607	18,570,585	18,890,399	19,051,329
Federal Funds	38,219,585	33,830,395	35,264,891	35,287,246	35,222,292