

**COLORADO GENERAL ASSEMBLY**

**JOINT BUDGET COMMITTEE**



**FY 2007-08 SUPPLEMENTAL:  
DEPARTMENT OF HUMAN SERVICES  
Mental Health and Alcohol and Drug Abuse Services**

**PRIORITIZED AND NON-PRIORITIZED  
REQUESTS**

**JBC Working Document - Subject to Change**

**Staff Recommendation Does Not Represent Committee Decision**

**Prepared By:**

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**January 21, 2008**

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**DEPARTMENT OF HUMAN SERVICES  
MENTAL HEALTH AND ALCOHOL AND DRUG ABUSE DIVISION  
FY 2007-08 SUPPLEMENTAL RECOMMENDATION  
JBC WORKING DOCUMENT - SUBJECT TO CHANGE**

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	FY 2006-07	FY 2007-08	Fiscal Year 2007-08 Supplemental		
	Actual	Appropriation	Requested Change	Recommended Change	New Total with Recommendation

**Department of Human Services**  
**Executive Director - Karen Bye**

**Supplemental #1 - Staff and Operating Funds to Improve the Monitoring of NGRI Outpatients in the Community**

*(2) Office of Information Technology Services*

Personal Services	<u>6,259,606</u>	<u>5,617,053</u>	<u>8,781</u>	<u>0</u>	<u>5,617,053</u>
FTE	<u>68.4</u>	<u>76.2</u>	<u>0.2</u>	<u>0.0</u>	<u>76.2</u>
General Fund	4,518,087	4,348,432	8,781	0	4,348,432
Cash Funds	25,395	24,062	0	0	24,062
Cash Funds Exempt	542,534	548,258	0	0	548,258
Federal Funds	1,173,590	696,301	0	0	696,301
<i>Medicaid Cash Fund</i>	225,963	224,909	0	0	224,909
<i>Medicaid General Fund</i>	112,982	112,453	0	0	112,453
<i>Net General Fund</i>	4,631,069	4,460,885	8,781	0	4,460,885

*(2) Office of Information Technology Services*

Operating Expenses	<u>345,772</u>	<u>386,576</u>	<u>3,693</u>	<u>0</u>	<u>386,576</u>
General Fund	307,488	307,488	3,693	0	307,488
Cash Funds	0	0	0	0	0
Cash Funds Exempt	15,288	16,040	0	0	16,040
Federal Funds	22,996	63,048	0	0	63,048
<i>Medicaid Cash Fund</i>	15,288	16,040	0	0	16,040
<i>Medicaid General Fund</i>	7,644	8,020	0	0	8,020
<i>Net General Fund</i>	315,132	315,508	3,693	0	315,508

	FY 2006-07	FY 2007-08	Fiscal Year 2007-08 Supplemental		
	Actual	Appropriation	Requested Change	Recommended Change	New Total with Recommendation
<i>(3) Office of Operations</i>					
<i>(A) Administration</i>					
Vehicle Lease Payments	<u>529,049</u>	<u>716,648</u>	<u>2,796</u>	0	<u>716,648</u>
General Fund	359,391	437,634	2,796	0	437,634
Cash Funds	982	989	0	0	989
Cash Funds Exempt	137,658	239,060	0	0	239,060
Federal Funds	31,018	38,965	0	0	38,965
<i>Medicaid Cash Fund</i>	111,428	207,430	0	0	207,430
<i>Medicaid General Fund</i>	55,714	103,714	0	0	103,714
<i>Net General Fund</i>	415,105	541,348	2,796	0	541,348
<i>(A) Administration</i>					
Personal Services	<u>1,599,578</u>	<u>1,883,346</u>	<u>12,561</u>	0	<u>1,883,346</u>
FTE	<u>16.0</u>	<u>22.7</u>	<u>0.2</u>	<u>0.0</u>	22.7
General Fund	592,238	790,532	12,561	0	790,532
Cash Funds	0	0	0	0	0
Cash Funds Exempt	417,993	494,587	0	0	494,587
Federal Funds	589,347	598,227	0	0	598,227
<i>Medicaid Cash Fund</i>	336,258	305,781	0	0	305,781
<i>Medicaid General Fund</i>	168,129	152,891	0	0	152,891
<i>Net General Fund</i>	760,367	943,423	12,561	0	943,423
<i>(A) Administration</i>					
Operating Expenses	<u>81,614</u>	<u>59,362</u>	<u>3,693</u>	0	<u>59,362</u>
General Fund	20,931	35,028	3,693	0	35,028
Cash Funds	0	0	0	0	0
Cash Funds Exempt	11,274	22,349	0	0	22,349
Federal Funds	49,409	1,985	0	0	1,985
<i>Medicaid Cash Fund</i>	0	11,274	0	0	11,274
<i>Medicaid General Fund</i>	0	5,637	0	0	5,637
<i>Net General Fund</i>	20,931	40,665	3,693	0	40,665

	FY 2006-07	FY 2007-08	Fiscal Year 2007-08 Supplemental		
	Actual	Appropriation	Requested Change	Recommended Change	New Total with Recommendation
(C) Mental Health Institutes	<u>91,878,963</u>	<u>89,656,698</u>	<u>82,421</u>	<u>0</u>	<u>89,656,698</u>
FTE	<u>1,169.9</u>	<u>1,252.9</u>	<u>0.6</u>	<u>0.0</u>	<u>1,252.9</u>
General Fund	70,740,254	69,468,922	82,421	0	69,468,922
Cash Funds	3,272,535	4,580,363	0	0	4,580,363
Cash Funds Exempt	17,866,174	15,607,413	0	0	15,607,413
Federal Funds	0	0	0	0	0
<i>Medicaid Cash Fund</i>	4,708,030	3,344,403	0	0	3,344,403
<i>Medicaid General Fund</i>	2,354,015	1,672,202	0	0	1,672,202
<i>Net General Fund</i>	73,094,269	71,141,124	82,421	0	71,141,124
<b>Total Supplemental #1</b>	<u>100,694,582</u>	<u>98,319,683</u>	<u>113,945</u>	<u>0</u>	<u>98,319,683</u>
FTE	<u>1,254.3</u>	<u>1,351.8</u>	<u>1.0</u>	<u>0.0</u>	<u>1,351.8</u>
General Fund	76,538,389	75,388,036	113,945	0	75,388,036
Cash Funds	3,298,912	4,605,414	0	0	4,605,414
Cash Funds Exempt	18,990,921	16,927,707	0	0	16,927,707
Federal Funds	1,866,360	1,398,526	0	0	1,398,526
<i>Medicaid Cash Fund</i>	5,396,967	4,109,837	0	0	4,109,837
<i>Medicaid General Fund</i>	2,698,484	2,054,917	0	0	2,054,917
<i>Net General Fund</i>	79,236,873	77,442,953	113,945	0	77,442,953

**Supplemental #12 - Mental Health Services Block Grant Funds and 2008 Population in Need Study**

**(8) Mental Health and Alcohol and Drug Abuse Services**

**(A) Administration**

Personal Services	<u>1,599,578</u>	<u>1,883,346</u>	<u>119,000</u>	<u>119,000</u>	<u>2,002,346</u>
FTE	<u>16.0</u>	<u>22.7</u>	<u>0.0</u>	<u>0.0</u>	<u>22.7</u>
General Fund	592,238	790,532	0	0	790,532
Cash Funds	0	0	0	0	0
Cash Funds Exempt	417,993	494,587	0	0	494,587
Federal Funds	589,347	598,227	119,000	119,000	717,227
<i>Medicaid Cash Fund</i>	336,258	305,781	0	0	305,781
<i>Medicaid General Fund</i>	168,129	152,891	0	0	152,891
<i>Net General Fund</i>	760,367	943,423	0	0	943,423

	FY 2006-07	FY 2007-08	Fiscal Year 2007-08 Supplemental		
	Actual	Appropriation	Requested Change	Recommended Change	New Total with Recommendation
<i>(A) Administration</i>					
Operating	<u>81,614</u>	<u>59,362</u>	<u>45,000</u>	<u>45,000</u>	<u>104,362</u>
General Fund	20,931	35,028	0	0	35,028
Cash Funds	0	0	0	0	0
Cash Funds Exempt	11,274	22,349	0	0	22,349
Federal Funds	49,409	1,985	45,000	45,000	46,985
<i>Medicaid Cash Fund</i>	0	11,274	0	0	11,274
<i>Medicaid General Fund</i>	0	5,637	0	0	5,637
<i>Net General Fund</i>	20,931	40,665	0	0	40,665
<i>(A) Administration</i>					
Federal Indirect Costs	<u>0</u>	<u>0</u>	<u>27,138</u>	<u>27,138</u>	<u>27,138</u>
FTE	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Cash Funds Exempt	0	0	0	0	0
Federal Funds	0	0	27,138	27,138	27,138
<i>Medicaid Cash Fund</i>	0	0	0	0	0
<i>Medicaid General Fund</i>	0	0	0	0	0
<i>Net General Fund</i>	0	0	0	0	0
<i>(C) Mental Health Community Programs</i>					
<i>(1) Mental Health Services for the Medically Indigent -</i>					
Indigent Services for 10,296 Mentally Ill	<u>36,023,738</u>	<u>37,534,243</u>	<u>250,361</u>	<u>250,361</u>	<u>37,784,604</u>
FTE	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	30,065,061	31,389,126	0	0	31,389,126
Cash Funds	0	0	0	0	0
Cash Funds Exempt	0	161,909	0	0	161,909
Federal Funds	5,958,677	5,983,208	250,361	250,361	6,233,569
<i>Medicaid Cash Fund</i>	0	0	0	0	0
<i>Medicaid General Fund</i>	0	0	0	0	0
<i>Net General Fund</i>	30,065,061	31,389,126	0	0	31,389,126

	FY 2006-07	FY 2007-08	Fiscal Year 2007-08 Supplemental		
	Actual	Appropriation	Requested Change	Recommended Change	New Total with Recommendation
<b>Total for Supplemental #12</b>	<u>37,704,930</u>	<u>39,476,951</u>	<u>441,499</u>	<u>441,499</u>	<u>39,918,450</u>
FTE	<u>0.0</u>	<u>22.7</u>	<u>0.0</u>	<u>0.0</u>	<u>22.7</u>
General Fund	30,678,230	32,214,686	0	0	32,214,686
Cash Funds	0	0	0	0	0
Cash Funds Exempt	429,267	678,845	0	0	678,845
Federal Funds	6,597,433	6,583,420	441,499	441,499	7,024,919
<i>Medicaid Cash Fund</i>	336,258	317,055	0	0	317,055
<i>Medicaid General Fund</i>	168,129	158,528	0	0	158,528
<i>Net General Fund</i>	30,846,359	32,373,214	0	0	32,373,214

<b>DEPARTMENT OF HUMAN SERVICES</b>					
Mental Health and Alcohol and Drug Abuse Services ONLY					
<b>Totals - ALL lines in this section</b>	<u>138,399,512</u>	<u>137,796,634</u>	<u>555,444</u>	<u>441,499</u>	<u>138,238,133</u>
FTE	<u>1,254.3</u>	<u>1,374.5</u>	<u>1.0</u>	<u>0.0</u>	<u>1,374.5</u>
General Fund	107,216,619	107,602,722	113,945	0	107,602,722
Cash Funds	3,298,912	4,605,414	0	0	4,605,414
Cash Funds Exempt	19,420,188	17,606,552	0	0	17,606,552
Federal Funds	8,463,793	7,981,946	441,499	441,499	8,423,445
<i>Medicaid Cash Fund</i>	5,733,225	4,426,892	0	0	4,426,892
<i>Medicaid General Fund</i>	2,866,613	2,213,445	0	0	2,213,445
<i>Net General Fund</i>	110,083,232	109,816,167	113,945	0	109,816,167

	FY 2005-06	FY 2006-07	Fiscal Year 2006-07 Supplemental		
	Actual	Appropriation	Requested Change	Recommended Change	New Total with Recommendation

**Department of Human Services**  
**Executive Director - Karen Bye**

**Supplemental #8 (FY 2006-07 Supplemental)**

*(8) Mental Health & Alcohol & Drug Abuse Services*

*(D) Alcohol & Drug Abuse Services*

*(2) Community Programs*

(a) Treatment Services for High Risk Pregnant Women	<u>943,703</u>	<u>983,958</u>	<u>125,489</u>	<u>Pending</u>	<u>Pending</u>
General Fund	0	0	0	pending	pending
Cash Funds	0	0	0	pending	pending
Cash Funds Exempt	943,703	983,958	125,489	pending	pending
Federal Funds	0	0	0	pending	pending
<i>Medicaid Cash Fund</i>	943,703	983,958	125,489	pending	pending
<i>Medicaid General Fund</i>	471,852	491,979	62,745	pending	pending
<i>Net General Fund</i>	471,852	491,979	62,745	pending	pending

<b>Total for Supplemental #8</b>	943,703	983,958	125,489	Pending	Pending
General Fund	0	0	0	pending	pending
Cash Funds	0	0	0	pending	pending
Cash Funds Exempt	943,703	983,958	125,489	pending	pending
Federal Funds	0	0	0	pending	pending
<i>Medicaid Cash Fund</i>	943,703	983,958	125,489	pending	pending
<i>Medicaid General Fund</i>	471,852	491,979	62,745	pending	pending
<i>Net General Fund</i>	471,852	491,979	62,745	pending	pending



**DEPARTMENT OF HUMAN SERVICES  
 MENTAL HEALTH AND ALCOHOL AND DRUG ABUSE DIVISION  
 FY 2007-08 SUPPLEMENTAL RECOMMENDATION  
 JBC WORKING DOCUMENT - SUBJECT TO CHANGE**

**Supplemental #1 - Staff and Operating Funds to Improve Monitoring of the Not Guilty by Reason of Insanity Outpatients in the Community**

	Request	Recommendation
Total	<u>\$114,862</u>	<u>\$0</u>
General Fund	114,862	0

**Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria?**  
 [An emergency or act of God / a technical error in the appropriation / new data / an unforeseen contingency] **NO**

The Department requests additional funds and FTE to improve the monitoring of NGRI outpatients in the community. This request does not meet the criteria for a supplemental because the number of NGRI outpatients has not significantly changed since FY 2002-03, and this is not a new or unforeseen need. The Department cites conditions that have existed for several years yet it chose to not include in prior budget requests.

**Department Request:** The Department requests \$114,862 General Fund and 1.0 FTE in FY 2007-08, which annualizes to \$522,394 General Fund and 5.5 FTE in FY 2008-09, to provide the staff and operating funds needed to improve the monitoring and treatment of Not Guilty by Reason of Insanity (NGRI) outpatients in the community.

**Request Background:** Pursuant to Section 16-8-105.5, C.R.S., people who are declared Not Guilty by Reason of Insanity (NGRI) are committed to the Colorado Department of Human Services and treated at the Institute for Forensic Psychiatry (IFP), the state's forensic hospital at the Colorado Mental Health Institute at Pueblo (CMHIP). In 2002, as part of the Neiberger settlement, CMHIP created the Forensics Community Based Services (FCBS) program to transition certain forensics patients into a community setting. The Department is requesting resources to improve the monitoring and treatment of patients in the FCBS program (see Table 1). The primary basis of the request is to improve the monitoring and treatment of conditionally released NGRI outpatients in the community.

**DEPARTMENT OF HUMAN SERVICES  
 MENTAL HEALTH AND ALCOHOL AND DRUG ABUSE DIVISION  
 FY 2007-08 SUPPLEMENTAL RECOMMENDATION  
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<b>Table 1: Supplemental Request to Improve the Monitoring of NGRI Outpatients</b>				
<b>Purpose</b>	<b>FY 2007-08 Supplemental</b>		<b>FY 2008-09 Budget Amendment</b>	
	<b>Amount</b>	<b>FTE</b>	<b>Amount</b>	<b>FTE</b>
Replace use of state fleet vehicles with four leased vehicles	\$2,796	0.0	\$11,185	0.0
Fleet variable mileage	\$3,040	0.0	\$12,160	0.0
Global Positioning System (GPS) to track patient movement and alcohol use	\$8,851	0.0	\$35,405	0.0
Improve databases to track patients	\$12,474	0.2	\$56,191	1.0
Improve program quality oversight	\$16,254	0.2	\$79,644	1.0
Additional staff for safety and FCBS outpatient monitoring	\$62,095	0.6	\$319,535	3.5
Drug-detecting canine	\$8,435	0.0	\$1,040	0.0
AED & SAED	\$917	0.0	\$7,234	0.0
<b>Total</b>	<b>\$114,862</b>	<b>1.0</b>	<b>\$522,394</b>	<b>5.5</b>

*Supplemental Criteria:* The Department submitted this request under the supplemental criteria of "new data." However, the number of NGRI outpatients has remained constant for the past five years (see Table 2). The variables that impact the monitoring and treatment of NGRI outpatients have remained relatively constant during the prior four budget cycles but the Department chose to not request additional FTE or funds at those times. **The request does not meet supplemental criteria.**

<b>Table 2: NGRI Outpatients*</b>			
<b>Fiscal Year</b>	<b>CMHIP Outpatients</b>	<b>MHC Outpatients</b>	<b>Total</b>
<b>FY 2002-03</b>	48	83	131
<b>FY 2003-04</b>	40	104	144
<b>FY 2004-05</b>	52	104	156
<b>FY 2005-06</b>	53	102	155
<b>FY 2006-07</b>	48	108	156
<b>FY 2007-08**</b>	42	110	152
* - Placements at the end of the fiscal year. Includes outpatients on community placement and conditional release.			
** - As of 10/08/07			

**Staff Analysis**

**DEPARTMENT OF HUMAN SERVICES  
MENTAL HEALTH AND ALCOHOL AND DRUG ABUSE DIVISION  
FY 2007-08 SUPPLEMENTAL RECOMMENDATION  
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*Background:* Pursuant to 16-8-115 (3) (b), C.R.S., Colorado's community mental health centers (CMHCs) are responsible for the treatment and monitoring of conditionally released forensics patients from CMHIP. The CMHCs provide treatment and case management, monitor the conditions of each patient's release, and file quarterly reports with CMHIP on the status of each patient they follow. Although the CMHCs are responsible for the patient's treatment in the community, CMHIP remains responsible for supervising the patient until he or she is unconditionally released (Section 16-8-115 (3) (c), C.R.S.). CMHIP created the FCBS for this purpose. The main intent of this request is to provide resources (both funds and FTE) for FCBS to work with CMHC clinicians to improve the monitoring and treatment of the NGRI outpatient population.

*Basis for Request:* According to the Department's request, CMHC staff typically do not adequately monitor and assess NGRI patients, instead "falling back on assessment and therapeutic techniques that are fully appropriate for their larger caseloads of voluntary clients." The Department asserts that additional FCBS staff and resources will allow it to better train and supervise the work of CMHC staff in this area.

*Analysis:* Staff is concerned that the request's components don't directly contribute to helping CMHC clinicians better monitor and treat the NGRI outpatient population. Treatment and monitoring occur at the community level, so the greatest impact will occur by investing resources directly with the CMHCs. These are the clinicians that have the most interaction with NGRI outpatients and are responsible for their daily activities. Staff doesn't think that a drug-detecting canine, a more integrated patient tracking data system, or additional FCBS staff located in Denver or Pueblo will help to better monitor and treat NGRI outpatients who are located in Grand Junction or Durango.

Training CMHC staff about the unique needs of the NGRI population will certainly improve their ability to monitor and assess these individuals. However, unless the Department addresses the high turnover rate amongst CMHC clinicians, it will become trapped in an endless cycle of constantly training new staff about the basics instead of working with long-term clinicians to build an extensive knowledge base about the NGRI population. For example, the Department cites an incident in October, 2007, when FCBS staff revisited a large CMHC just six months after providing its staff with forensic outpatient training. *Ninety percent of the CMHC therapists and caseworkers were new since the previous visit.*

This high turnover negatively affects the continuity of care for both the NGRI and the civil population. *Staff who are familiar with the NGRI outpatient are better able to recognize those changes in mood and behavior that are indicative of a patient not doing well, and intervene before the person becomes a threat to himself or others.* Additionally, if the CMHCs that monitor NGRI outpatients received additional resources, they could add more staff and reduce the caseload of the clinician who monitors the NGRI outpatients, permitting him or her to devote the time and energy to monitoring the person that this unique population warrants.

**Staff Recommendation:** Staff **does not recommend approval of this supplemental request** because it does not meet criteria and there are more cost-effective ways to improve the day to day monitoring of NGRI outpatients in the community.

**DEPARTMENT OF HUMAN SERVICES  
 MENTAL HEALTH AND ALCOHOL AND DRUG ABUSE DIVISION  
 FY 2007-08 SUPPLEMENTAL RECOMMENDATION  
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**Supplemental #8 - High Risk Pregnant Women Program Overexpenditure**

	Request	Recommendation
Total	<u>\$125,489</u>	Pending
Cash Funds Exempt (Medicaid Cash Fund)	\$125,489	Pending

<b>Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria?</b> [An emergency or act of God / a technical error in the appropriation / new data / an unforeseen contingency]	<b>Pending</b>
This supplemental request will be analyzed as part of the Department of Health Care Policy and Financing supplemental requests, to be presented January 23, 2008.	

**Department Request:** The Department is requesting an increase in Cash Funds Exempt (Medicaid Cash Funds) spending authority in the High Risk Pregnant Women Program (HRPW) line item for FY 2006-07. The increase will release the restriction of \$125,489, which is the result of an over-expenditure in FY 2006-07 and will make the full amount of the appropriation available for services in the current fiscal year. The HRPW Program is a Medicaid entitlement program.

**Staff Analysis and Recommendation:** The High Risk Pregnant Women Program is an entitlement program funded by Medicaid to serve pregnant women in need of substance abuse treatment. In FY 2006-07 the State Controller's Office approved a \$125,489 overexpenditure in this program pursuant to Section 24-75-109 (1) (a), C.R.S. As a result, the FY 2007-08 appropriation was restricted by this same amount pursuant to Section 24-75-109 (3), C.R.S. **This request will be analyzed as part of the Department of Health Care Policy and Financing supplemental presentation on January 23, 2008.**

**DEPARTMENT OF HUMAN SERVICES  
 MENTAL HEALTH AND ALCOHOL AND DRUG ABUSE DIVISION  
 FY 2007-08 SUPPLEMENTAL RECOMMENDATION  
 JBC WORKING DOCUMENT - SUBJECT TO CHANGE**

**Supplemental #12 - Additional Mental Health Services Block Grant and 2008 Population in Need Study**

	Request	Recommendation
Total	\$441,499	\$441,499
Federal Fund	\$441,499	441,499

**Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria?**  
 [An emergency or act of God / a technical error in the appropriation / new data / an unforeseen contingency] **YES**

This request meets supplemental criteria because there is new data which was not available at the time of the budget request, specifically that there are additional federal Mental Health Services Block Grant funds.

**Department Request:** The Department requests additional federal fund spending authority in FY 2007-08 and FY 2008-09 due to an increase of \$441,499 in the Mental Health Services Block Grant. The Department will complete the 2008 Colorado Population in Need (PIN) Study, provide additional training and technical assistance for the community mental health centers, and will fund additional mental health services for the indigent. The request also includes a technical change for a new budget line item titled "Federal Indirect Costs."

**Staff Analysis**

*Supplemental Criteria:* The Department learned it would receive an additional \$441,499 in federal funds through the Mental Health Services Block Grant after the FY 2007-08 budget request was submitted. **The request meets supplemental criteria because new data is available.**

*Analysis:* Pursuant to Section 27-1-206, C.R.S., the Department of Human Services is the State's recipient of the federal Mental Health Services Block Grant. The Colorado Mental Health Planning and Advisory Council identifies the Grant's funding priorities. The Department has the authority to spend the Block Grant funds, although it is requesting a formal appropriation from the Joint Budget Committee so that the funds will be accurately reflected in the Long Bill.

*New Line Item:* The Department's indirect costs have historically been charged to the Mental Health Services for the Medically Indigent Long Bill line item. Prior JBC staff raised the issue of reporting indirect costs in a "program" line, and the intent of the new line item is to increase the level of transparency.

**Staff Recommendation:** Staff recommends that the Committee approve this supplemental request so the expenditures will be accurately reflected in the Long Bill. Staff also recommends that the Committee approve the request to add a new budget line item called "Federal Indirect Costs" in order to improve the transparency of the Department's budget.