



**Colorado
Legislative
Council
Staff**

SB17-207

FISCAL NOTE

FISCAL IMPACT: State Local Statutory Public Entity Conditional No Fiscal Impact

Drafting Number: LLS 17-0856	Date: March 21, 2017
Prime Sponsor(s): Sen. Kagan; Cooke Rep. Salazar; Sias	Bill Status: Senate Judiciary
	Fiscal Analyst: Kerry White (303-866-3469)

BILL TOPIC: STRENGTHEN CO BEHAVIORAL HEALTH CRISIS SYSTEM

Fiscal Impact Summary	FY 2017-2018	FY 2018-2019
State Revenue		
State Expenditures	\$7,096,954	\$7,378,984
Cash Funds	7,086,280	7,365,872
Centrally Appropriated Costs	10,674	13,112
FTE Position Change	0.9 FTE	1.0 FTE
Appropriation Required: \$7,086,280 - Department of Human Services (FY 2017-18).		
Future Year Impacts: Ongoing state expenditure increase.		

NOTE: While all agencies were canvassed for the fiscal note, not all agencies had the opportunity to provide a complete analysis. Therefore, the impacts identified herein should be considered preliminary. The fiscal note will be revised if new information becomes available.

Summary of Legislation

This bill makes a number of changes regarding the state's coordinated behavioral health crisis response system. Foremost, it eliminates the use of the criminal justice system to hold individuals who are experiencing a mental health crisis and commits resources for the use of mental health providers and hospitals in a state-wide framework. The bill also:

- enhances the capacity of first responders, including law enforcement, to address emergency mental health holds;
- requires that on or before January 1, 2018, walk-in centers statewide be equipped to accept individuals in need of an emergency 72-hour mental health hold and that mobile response units are available to respond to a behavioral health crisis anywhere in the state within two hours;
- requires the Department of Human Services (DHS) to provide training for professionals with contact with individuals with a behavioral health crisis, to conduct a needs and capacity assessment of the crisis system, and to report to the General Assembly on the implementation of this bill; and
- allows Marijuana Tax Cash Funds to be used to assist in providing behavioral health services.

Background

Senate Bill 17-207 is the result of activities completed in the 2016 interim by the Commission on Criminal and Juvenile Justice (CCJJ), the Governor's Mental Health Hold Task Force, and the Mental Illness in the Criminal Justice System (CCJJ) Legislative Oversight Committee. The DHS is responsible for coordinating the state's existing behavioral health crisis response system. The department's resources include 4.0 FTE and \$26.1 million, which is used to contract with four regional coordinators. The Governor's FY 2017-18 budget request sets aside approximately \$7.1 million from the Marijuana Tax Cash Fund to implement SB17-207.

State Expenditures

This bill will increase state cash fund expenditures in the DHS by \$7.1 million and 0.9 FTE in FY 2017-18 and by \$7.4 million and 1.0 FTE in FY 2018-19 and FY 2019-20. After FY 2019-20, costs may decrease if the transportation pilot and technical assistance to communities are discontinued. The bill may also affect costs in other agencies, as described below. Table 1 and the discussion that follows present the major cost components of the bill. It should be noted that these costs are estimates and some component budgets may increase or decrease as actual costs are incurred.

Table 1. Expenditures Under SB17-207		
Cost Components	FY 2017-18	FY 2018-19
Personal Services	\$50,404	\$60,484
FTE	0.9 FTE	1.0 FTE
Operating Expenses and Capital Outlay Costs	5,558	950
Statewide Training for First Responders	107,500	107,500
Regional Coordination for 24-7 Services	2,011,481	2,011,481
Rural Crisis Response System Enhancements	976,255	1,300,375
Needs and Capacity Study	50,000	0
Transportation Pilot Program	485,082	485,082
Law Enforcement Partnerships	2,900,000	2,900,000
Technical Assistance for Communities	60,000	60,000
Behavioral Health Crisis Response System Contractor	440,000	440,000
Centrally Appropriated Costs*	10,674	13,112
TOTAL	\$7,096,954	\$7,378,984

* Centrally appropriated costs are not included in the bill's appropriation.

Department of Human Services. The department requires 0.5 FTE for a Project Manager and 0.5 FTE for a contract administrator to implement the requirements of the bill. The analysis assumes these positions will start on August 15, 2017, based on the August 9, 2017, effective date of the bill. Standard annual operating and one-time capital outlay costs are required.

Statewide training for first-responders. Training assumes 1,000 hours at \$100 per hour is required for a contractor to conduct training for first-responders, including hospital personnel, local law enforcement, and others that are involved with mental health holds. An additional \$7,500 is required to produce and annually update additional online training components; this cost is split over the first two years. Training costs in future years may be lower for updates and maintenance.

Regional coordination for 24 hour per day services. This funding is to support regional coordination involving the Crisis Response System contractors, local hospitals, local law enforcement agencies, behavioral health organizations, community mental health centers, substance use disorder providers, county human and social services agencies, and individuals with direct experience to identify problems and system gaps and to create partnerships that result in 24-7 services being available in all communities. This includes the ability to respond to anyone having a behavioral health crisis within two hours and to ensure that walk-in centers are appropriately equipped and staffed. Funds are to be used for installation of telehealth infrastructure in rural hospitals, security and attendants for hospitals and clinics, supplemental staff and peer professionals, follow-up case management, and expanding mobile crisis unit capacity.

Rural crisis response system enhancements. Funding is required to expand behavioral health crisis stabilization services on the western slope of Colorado. The estimate is to establish a walk-in crisis center with a six to eight bed crisis stabilization unit. Costs in FY 2017-18 of \$976,255 and \$1,300,375 per year beginning in FY 2018-19 are based on a bid provided to the department by a prospective service provider.

Needs and capacity study. One-time funding of \$50,000 in FY 2017-18 is required for DHS to hire a contractor to study the crisis system's facilities and service gaps in order to assess the availability of services in local communities and where additional capacity is needed.

Transportation pilot program. None of the four current crisis system regions have secure transportation as a required component of their contracts and as such, the majority of these costs are incurred by local law enforcement. The pilot program would provide transportation in two of the four regions. Costs assume \$55,000 per vehicle, per region, plus fuel and maintenance costs and transport staff, to be hired and paid by the regional contractors. Annual costs of \$50,000 to evaluate the transportation of individuals from jails, hospital emergency departments, and other community locations to facilities designed to receive and treat these individuals is included.

Law enforcement partnerships. A total of \$2.9 million per year will be used to fund law enforcement mental health programs. Funds are expected to be used to hire in-house clinicians or contract with a behavioral health organization to provide community-based screening and placements. Law enforcement partnerships are estimated to cost between \$387,000 and \$580,000 depending on the size of the jurisdiction. The funding will allow the state to provide resources to between five and eight communities per year under the bill.

Technical assistance for communities. This cost assumes \$10,000 for six communities to receive support for local planning efforts each year for the first three years following implementation of SB17-207.

Behavioral health crisis response system contractor. Each of the four regions would receive funding to hire 1.0 FTE master's level clinician (\$78,000 per year in salary and benefits) to oversee the engagement initiatives discussed above and funding for travel, operating and other expenditures. The estimate assumes that approximately \$110,000 is available for each region, although DHS would allocate the exact amount based on need from the pool of available funds.

Department of Health Care Policy and Financing. To the extent that this bill increases the use of Medicaid and CHP+ for behavioral health services, costs to those programs may increase in the future. Behavioral health services are capitated, meaning that the state pays a fixed rate per client, per month. As changes in utilization occur, capitated payments may be adjusted once a contract is renewed. As any change in utilization is speculative, the fiscal note assumes that any needs for adjustments will be addressed in a future budget process once the impact of this bill is known.

Judicial Department. The bill may increase workload for courts as it provides an additional basis for a judge to order a mental health evaluation and 72 hour emergency mental health hold. To the extent that additional resources in the community reduce contact with the justice system, workload and costs may also be reduced. These impacts are not anticipated to require an adjustment in appropriations.

Centrally appropriated costs. Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. The centrally appropriated costs subject to this policy are estimated in the fiscal note for informational purposes and summarized in Table 2.

Cost Components	FY 2017-18	FY 2018-19
Employee Insurance (Health, Life, Dental, and Short-term Disability)	\$6,157	\$7,692
Supplemental Employee Retirement Payments	4,517	5,420
TOTAL	\$10,674	\$13,112

Local Government Impact

This bill impacts local governments in a variety of ways. It will increase funding and resources for local communities to provide behavioral health services and it will reduce costs for law enforcement that participate in the transportation pilot program and jails that house persons experiencing a behavioral health crisis. It may also increase costs for local governments that operate hospitals where there is no other payor if additional behavioral health services are accessed at these facilities. Finally, the bill may reduce law enforcement and court workload if behavioral health interventions reduce contact with the criminal justice system among persons in crisis. These impacts will vary by jurisdiction, but have not been estimated.

Effective Date

The bill takes effect August 9, 2017, if the General Assembly adjourns on May 10, 2017, as scheduled, and no referendum petition is filed; except that sections 6 and 7 take effect on May 1, 2018.

State Appropriations

For FY 2017-18, the bill requires an appropriation of \$7,086,281 from the Marijuana Tax Cash Fund and an allocation of 0.9 FTE to the Department of Human Services.

State and Local Government Contacts

Corrections
District Attorneys
Health Care Policy and Financing
Information Technology
Local Affairs
Public Health and Environment
Sheriffs

Counties
Governor
Human Services
Judicial
Municipalities
Public Safety