

JOINT BUDGET COMMITTEE



STAFF FIGURE SETTING FY 2017-18

DEPARTMENT OF HUMAN SERVICES (Behavioral Health Services)

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

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CONTENTS

Department Overview	3
Summary of Staff Recommendations.....	4
Description of Incremental Changes.....	5
Major Differences from the Request.....	8
(8) Behavioral Health Services	9
Decision Items – Behavioral Health Services	10
➔ R8 Crisis services system enhancements	10
➔ R10 Mental health institutes security enhancements	16
➔ R14 Substance use disorder treatment at the mental health institutes	17
➔ R16 Mental health institute capital outlay.....	20
➔ BA3 Mental health institute revenue adjustment	21
➔ BA6 Implementation of Mental Health Hold Task Force recommendations.....	22
➔ BA7 Diversion from the criminal justice system	26
➔ Staff-initiated: MHI contract medical services adjustment.....	32
➔ Staff-initiated: Changes related to HB 16-1408.....	32
➔ Staff-initiated: MTCF adjustment.....	36
➔ Staff-initiated: MHI program relocation.....	37
➔ Staff-initiated: Federal Funds Update	41
➔ Staff-initiated: Long Bill Reorganization	43
Line Item Detail —Behavioral Health Services.....	50
Long Bill Footnotes and Requests for Information	91
Long Bill Footnotes	91
Requests for Information.....	93
Appendices	
A: Numbers Pages	94
B: S.B. 16-202 Community Assessments of the Sufficiency of Substance Use Disorder Services.....	106

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. A similar overview table is provided for each division, but the description of incremental changes is not repeated, since it is available under the Department Overview. More details about the incremental changes are provided in the sections following the Department Overview and the division summary tables.

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

The Department of Human Services 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 Department is also responsible for inspecting and licensing child care facilities. The Department operates two mental health institutes, three regional centers for persons with intellectual and developmental disabilities, and ten institutions for delinquent juveniles. The Department 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 incomes who are not eligible for Medicaid, as well as services for Medicaid-eligible clients that are not covered by the Medicaid program¹. 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 last section, which is titled: "Department of Human Services Medicaid-Funded Programs". The staff recommendations for Medicaid funding that supports behavioral health programs is included in the document titled, "FY 2017-18 Staff Figure Setting: Department of Health Care Policy and Financing, Medicaid Behavioral Health Community Programs", and dated March 2, 2017.

¹ Most mental health and substance use disorder services for Medicaid-eligible clients are funded through the Department of Health Care Policy and Financing.

SUMMARY OF STAFF RECOMMENDATIONS

BEHAVIORAL HEALTH SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 Appropriation						
HB 16-1405 (Long Bill)	\$259,658,773	\$189,322,150	\$16,063,002	\$19,051,329	\$35,222,292	1,290.4
Other legislation	6,126,557	494,557	6,000,000	(368,000)	0	3.2
S.B. 17-163 (supplemental bill)	(679,282)	(695,296)	(144,188)	160,202	0	0.0
TOTAL	\$265,106,048	\$189,121,411	\$21,918,814	\$18,843,531	\$35,222,292	1,293.6
FY 2017-18 RECOMMENDED APPROPRIATION						
FY 2016-17 Appropriation	\$265,106,048	\$189,121,411	\$21,918,814	\$18,843,531	\$35,222,292	1,293.6
R8 Crisis services system enhancements	400,000	400,000	0	0	0	0.0
R10 Mental health institute security enhancements	580,507	580,507	0	0	0	0.0
R14 Substance use disorder treatment at the mental health institutes	556,986	0	556,986	0	0	8.0
R16 Mental health institute capital outlay	350,377	350,377	0	0	0	0.0
BA3 Mental health institute revenue adjustment	0	0	0	0	0	0.0
BA6 Implementation of Mental Health Hold Task Force recommendations	0	0	0	0	0	0.0
BA7 Diversion from the criminal justice system	2,557,942	0	2,557,942	0	0	1.3
Non-prioritized request items	78,960	67,090	(1,361)	13,231	0	0.9
Staff-initiated federal funds update	5,379,941	0	0	0	5,379,941	7.0
Staff-initiated changes related to H.B. 16-1408	2,564,037	0	2,564,037	0	0	0.0
Staff-initiated MHI program relocation	343,157	343,157	0	0	0	4.3
Staff-initiated MTCF adjustment	0	(521,213)	521,213	0	0	0.0
Staff-initiated MHI contract medical services adjustment	(557,674)	(557,674)	0	0	0	0.0
Annualize prior year legislation	187,382	15,717	171,665	0	0	0.6
Centrally appropriated line items	134,448	0	134,448	0	0	0.0
Correctional Treatment Cash Fund allocation adjustment	0	0	0	0	0	0.0
Annualize prior year budget actions	(704,125)	(715,850)	3,081	2,296	6,348	0.1
Technical changes	(161,540)	0	(161,540)	0	0	0.0
SUBTOTAL - Long Bill Recommendations	\$276,816,446	\$189,083,522	\$28,265,285	\$18,859,058	\$40,608,581	1,315.8
Impact of Staff-initiated MHI program relocation on other divisions	546,582	546,582	0	0	0	1.1
Recommended placeholders for legislation (related to BA6 and BA7)	7,100,000	0	7,100,000	0	0	0.0
TOTAL	\$284,463,028	\$189,630,104	\$35,365,285	\$18,859,058	\$40,608,581	1,316.9
INCREASE/(DECREASE)	\$19,356,980	\$508,693	\$13,446,471	\$15,527	\$5,386,289	23.3
Percentage Change	7.3%	0.3%	61.3%	0.1%	15.3%	1.8%
FY 2017-18 EXECUTIVE REQUEST	\$275,984,345	\$190,148,052	\$31,748,595	\$18,859,058	\$35,228,640	1,305.5
Request Above/(Below) Recommendation	(\$8,478,683)	\$517,948	(\$3,616,690)	\$0	(\$5,379,941)	(11.4)

DESCRIPTION OF INCREMENTAL CHANGES

R8 CRISIS SERVICES SYSTEM ENHANCEMENTS: The recommendation includes an increase of \$400,000 General Fund for the behavioral health crisis response system telephone hotline to address increases in the number and duration of contacts.

R10 MENTAL HEALTH INSTITUTE SECURITY ENHANCEMENTS: The recommendation includes \$580,507 General Fund for security enhancements at both mental health institutes, including: \$372,867 for security cameras (replacements for seclusion and restraint rooms and new cameras for areas not currently monitored); \$117,160 for security staff training, weaponry, and gear; and \$90,480 for physical modifications to certain entrances and a nurses' station.

R14 SUBSTANCE USE DISORDER TREATMENT AT THE MENTAL HEALTH INSTITUTES: The recommendation includes a total of \$556,986 cash funds from the Marijuana Tax Cash Fund to add 8.0 FTE certified addiction counselors to expand substance use disorder treatment at both mental health institutes.

R16 MENTAL HEALTH INSTITUTE CAPITAL OUTLAY: The recommendation includes \$350,377 General Fund to implement a standardized equipment replacement and minor renovation plan at both mental health institutes.

BA3 MENTAL HEALTH INSTITUTE REVENUE ADJUSTMENT: The recommendation includes continuation of the revenue adjustments that the Committee recently approved for FY 2016-17.

BA6 IMPLEMENTATION OF MENTAL HEALTH HOLD TASK FORCE RECOMMENDATIONS: The recommendation does not include any funding for inclusion in the FY 2017-18 Long Bill to implement Mental Health Hold Task Force recommendations. Instead, staff recommends that the Committee consider establishing a \$3.6 million placeholder for this purpose within its overall proposed appropriations from the Marijuana Tax Cash Fund.

BA7 DIVERSION FROM THE CRIMINAL JUSTICE SYSTEM: The recommendation includes \$2,557,942 cash funds from the Marijuana Tax Cash Fund and 1.3 FTE for inclusion in the FY 2017-18 Long Bill to support four local Law Enforcement Assisted Diversion (called "LEAD") pilot programs to divert individuals with substance use disorder from the criminal justice system. In addition, staff recommends that the Committee consider establishing a \$3.5 million placeholder for purposes of implementing other recommendations from the Colorado Commission on Criminal and Juvenile Justice (CCJJ) to strengthen the Behavioral Health Crisis Response System and support partnerships between law enforcement agencies and behavioral health agencies.

NON-PRIORITIZED REQUEST ITEMS: The recommendation includes \$78,960 total funds for budget requests, including three that are initiated by the Department of Health Care Policy and Financing (HCPF) and the Department of Corrections (DOC).

NON-PRIORITIZED ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
NP6 HCPF oversight of departmental resources	\$67,090	\$67,090	\$0	\$0	\$0	0.9
NP5 DOC food inflation	42,650	0	0	42,650	0	0.0
NP4 DOC Mother baby unit	(29,419)	0	0	(29,419)	0	0.0
BANP3 Health life and dental adjustment for Circle program	(1,361)	0	(1,361)	0	0	0.0
TOTAL	\$78,960	\$67,090	(\$1,361)	\$13,231	\$0	0.9

STAFF-INITIATED FEDERAL FUNDS UPDATE: The recommendation includes an increase of \$5,379,941 federal funds and 7.0 FTE to more accurately reflect anticipated expenditures.

STAFF-INITIATED CHANGES RELATED TO H.B. 16-1408: The recommendation includes an increase of \$2,564,037 cash funds (including \$2,054,708 from the Marijuana Tax Cash Fund and \$509,329 from the Offender Mental Health Services Fund) for three purposes:

- To eliminate a temporary mid-year reduction of \$125,007 that was made to mitigate the impact of technical errors in the appropriation clause for H.B. 16-1408;
- To restore to FY 2009-10 levels the amounts currently allocated to 11 community mental health centers to support services for juvenile and adult offenders who have mental health problems and for related administrative and training expenses (an increase of \$1,089,030); and
- To make funding available for the remaining six rural community mental health centers to support services for juvenile and adult offenders who have mental health problems (an increase of \$1,350,000).

STAFF-INITIATED MHI PROGRAM RELOCATION: The recommendation includes an increase of \$889,739 General Fund (including \$343,157 in the division covered by this packet and \$546,582 that would be appropriated to other divisions) to allow the Department to implement a plan that involves relocating two existing programs at the Colorado Mental Health Institute at Pueblo (CMHIP). The plan would:

- address significant safety risks that exist in 20-bed adolescent program, thereby increasing CMHIP's ability to utilize existing capacity and serve more adolescents;
- improve the therapeutic environment for adolescents and for the adults who are served through the Circle Program;
- increase by 20 the number of beds available to serve long-term patients who are preparing to re-enter the community; and
- free up 20 existing adult beds in various existing units in early 2018, allowing CMHIP to serve an additional 20 adults in need of inpatient psychiatric care.

STAFF-INITIATED MTCF ADJUSTMENT: The recommendation includes a change in the financing of a line item that supports behavioral health services for adolescents and adults who have co-occurring mental health and substance use disorders. The recommendation eliminates the General Fund portion of the appropriation (\$521,213) and increase the cash funds appropriation from the Marijuana Tax Cash Fund by the same amount.

STAFF-INITIATED MHI CONTRACT MEDICAL SERVICES ADJUSTMENT: The recommendation includes a reduction of \$557,674 General Fund for the mental health institutes' purchase of outside medical services for patients based on recent expenditures.

ANNUALIZE PRIOR YEAR LEGISLATION: The recommendation includes \$187,382 total funds to reflect the second-year impact of bills that passed during the 2016 legislative session.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Annualize SB 16-202 (Increasing access to effective SUD services)	\$171,665	\$0	\$171,665	\$0	\$0	0.0
Annualize SB 16-019 (Videotape mental condition evaluations)	13,924	13,924	0	0	0	0.4
Annualize HB 16-1410 (Competency evaluation location)	1,793	1,793	0	0	0	0.2
TOTAL	\$187,382	\$15,717	\$171,665	\$0	\$0	0.6

CENTRALLY APPROPRIATED LINE ITEMS: The recommendation includes \$134,448 cash funds from the Marijuana Tax Cash Fund for FY 2017-18 salary increases for employees of the Circle Program. This program, which is part of the Colorado Mental Health Institute at Pueblo, is an intensive treatment program that serves men and women who suffer from co-occurring mental health and substance use disorders.

CORRECTIONAL TREATMENT CASH FUND ALLOCATION: Consistent with the Committee's previous action on the Correctional Treatment Board's plan for FY 2017-18, the recommendation reflects three change that result in a net zero impact for this division:

- A decrease of \$200,000 reappropriated funds (transferred from the Judicial Department) for Treatment and Detoxification Contracts;
- An increase of \$100,000 reappropriated funds for the Short-term Intensive Residential Remediation and Treatment (STIRRT) program; and
- An increase of \$100,000 reappropriated funds for Jail-based Behavioral Health Services.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS: The recommendation includes a reduction of \$704,125 total funds to reflect the second-year impact of several FY 2016-17 budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Annualize prior year salary survey	\$207,874	\$196,149	\$3,081	\$2,296	\$6,348	0.0
Annualize FY 16-17 R3 Court-ordered competency evaluations and restoration treatment	4,726	4,726	0	0	0	0.1
Annualize FY 16-17 BA10 MHI electronic health record system	(771,000)	(771,000)	0	0	0	0.0
Annualize FY 16-17 S2 CMHIP adolescent unit window improvements	(145,725)	(145,725)	0	0	0	0.0
TOTAL	(\$704,125)	(715,850)	\$3,081	\$2,296	\$6,348	0.1

TECHNICAL CHANGES: The recommendation includes reductions in annual spending authority from two cash funds based on available revenues, including: a reduction of \$136,540 from the Adolescent Substance Abuse Prevention Fund and a reduction of \$25,000 from the Rural Alcohol and Substance Abuse Cash Fund

MAJOR DIFFERENCES FROM THE REQUEST

Overall, the staff recommendation is \$8,478,683 higher than the request (including the “placeholder” amounts that are recommended as well as the impact of a staff-initiated recommendation on other divisions). The most significant differences between the recommendation and the request are listed below.

- Primarily due to a lack of existing statutory authority to appropriate money in the Marijuana Tax Cash Fund (MTCF) for the requested purposes, staff’s recommendation excludes approximately \$7.1 million in cash funds appropriations that were requested to implement recent recommendations from the Governor’s Mental Health Hold Task Force and the Colorado Commission on Criminal and Juvenile Justice (CCJJ). Instead, staff recommends that the Committee consider establishing a placeholder of \$7.1 million for these purposes within its overall proposed appropriations from the MTCF.
- The recommendation includes an increase of \$5,379,941 federal funds and 7.0 FTE to more accurately reflect anticipated expenditures.
- The recommendation includes an increase of \$2,439,030 cash funds (including \$1,929,701 from the Marijuana Tax Cash Fund and \$509,329 from the Offender Mental Health Services Fund) to “fully fund” the program that provides funding for community mental health centers to support services for juvenile and adult offenders who have mental health problems.
- The recommendation includes an increase of \$889,739 General Fund and 5.4 FTE to allow the Department to implement a plan that would address significant safety risks for adolescents who receive treatment at the Colorado Mental Health Institute at Pueblo (CMHIP). This plan would also allow CMHIP to increase the number of adolescents and adults served by up to 10 and 20, respectively.
- The recommendation includes a reduction of \$557,674 General Fund for the mental health institutes’ purchase of outside medical services for patients based on recent expenditures.
- The recommendation includes a change in the financing for behavioral health services for adolescents and adults who have co-occurring mental health and substance use disorders. The change decreases General Fund appropriations by \$521,213 and increases cash funds appropriations from the Marijuana Tax Cash Fund by the same amount.
- The recommendation excludes a scheduled (and requested) reduction in cash funds spending authority from the Persistent Drunk Driver Cash Fund because the fund balance is still projected to exceed the statutory cash fund reserve limit.
- The recommendation excludes \$300,000 General Fund that was requested to increase funding for marketing related to the behavioral health crisis response system (R8).

(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 543 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 and Community Mental Health Services block grants;
- transfers from the Department of Health Care Policy and Financing, 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; and
- marijuana tax revenues.

DECISION ITEMS – BEHAVIORAL HEALTH SERVICES

→ R8 CRISIS SERVICES SYSTEM ENHANCEMENTS

REQUEST: The Department requests an increase of \$900,000 General Fund for the behavioral health crisis response system, including:

- \$600,000 for the telephone hotline/warmline to address increases in the number and duration of calls; and
- \$300,000 for marketing to further enhance visibility and educate the public about the crisis response system.

The Department proposes that the requested increases be offset by a \$900,000 reduction in the General Fund appropriation for Community Transition Services.

Compared to the Committee’s recent actions in response to a similar request for mid-year adjustment for FY 2016-17, the FY 2017-18 request represents an increase of \$400,000 for the telephone hotline/warmline, an increase of \$300,000 for marketing, and no change for Community Transition Services.

RECOMMENDATION: **Staff recommends:**

- **approving the request to increase funding for the statewide telephone hotline/warmline by \$400,000;**
- **denying the request to increase funding for marketing by \$300,000; and**
- **as requested, maintaining the \$900,000 reduction in the General Fund appropriation for Community Transition Services.**

STAFF ANALYSIS: The Department submitted both a FY 2016-17 supplemental request and a FY 2017-18 decision item to shift General Fund appropriations within its budget. For FY 2017-18, the Department proposes reducing the appropriation for “Community Transition Services” by \$900,000 and repurposing these funds for two components of the behavioral health crisis response system:

- \$600,000 for the telephone hotline/warmline to address increases in the number and duration of calls; and
- \$300,000 for marketing to further enhance visibility and educate the public about the crisis response system.

Staff discusses each component of the request below.

Increase for Telephone Hotline/Warmline Contract

The Department requests an increase of \$400,000 General Fund (15.4 percent) to address increases in both the number and duration of calls, chats, and texts received by the hotline/warmline contractor. The additional funds would offset higher costs incurred for staff as well as associated operating costs (phone, data, utility, and information technology services).

The total *number of contacts* rose from 8,885 in December 2015 to 13,321 in October 2016 — a 49.9 percent increase over 10 months. The volume decreased slightly in November 2016 (to 12,664). Of the total in November:

- 8,382 (66.2 percent) were calls received;
- 3,889 (30.7 percent) were outgoing calls to follow up with individuals;
- 288 were texts received; and
- 105 were chats received.

Based on data from November 2016, the most common *presenting problem* for all age groups is an anxiety concern. For those under age 27, the next most common presenting problems are mood concerns and safety concerns. Safety concerns most commonly involve suicide ideation, but may also involve self-harming behavior, domestic violence, grave disability, homicidal ideation, child abuse, or elder abuse. For those over age 27, major life issues and family issues are more common reasons for calling. Substance use, psychosis, and cognitive issues are less frequently cited as the presenting problem for all age groups. Substance use is cited most frequently for the age group 22 to 26 (7.8 percent of calls), followed by the age group 27 to 64 (7.3 percent of calls).

The average *duration* of incoming calls is 11 to 13 minutes, and for outgoing calls it is three to four minutes. Chat and text interactions are generally longer and more variable; in November 2016, the average duration for chats and texts were 39.6 minutes and 49.6 minutes, respectively. The contractor notes that the average duration for incoming calls is longer than the eight minute average call duration cited by National Council on Behavioral Health. The contractor attributes the longer duration to several factors, including:

- The thoroughness of the calls, including the safety assessment protocol that is utilized and required data collection; and
- The contractor's roll in connecting callers with other components of the crisis system (e.g., staying on the line until law enforcement or a mobile crisis team can respond).

The most recent data for hotline/warmline activity indicates the following *outcomes*:

- 27.8 percent of calls result in an action/safety plan;
- 18.8 percent of calls result in follow-up by a crisis services center;
- 17.3 percent of calls result in a referral to appropriate behavioral health services;
- 15.6 percent of calls result in a referral to another type of social service;
- 7.6 percent of calls result in crisis stabilization services;
- 2.2 percent of calls result in law enforcement contact; and
- 2.1 percent of calls result in deployment of mobile crisis services.

Finally, the Department points to several indicators that underscore the need for additional funding to ensure that hotline/warmline services are responsive and effective:

- Average call wait times rose from 11.3 seconds in June 2015 to 30.7 seconds in June 2016;
- Call abandonment rates rose from 2.1 percent in June 2015 to 5.2 percent in June 2016; and
- The contractor experienced a turnover rate of 47 percent among counseling and peer specialist staff from June 2015 to June 2016.

The Department anticipates that the increased funding will allow the contractor to maintain or improve call wait times and call abandonment rates. In addition, the requested funding is intended to allow the contractor's performance and quality to continue to meet the American Association of Suicidology's standards of care, which are designed to ensure that clients receive a thorough safety

assessment, a warm hand-off to the appropriate level of care, and follow-up to facilitate ongoing support, treatment, and safety.

Staff recommends approving the request to increase funding for the hotline/warmline component of the crisis response system. This component provides statewide, 24/7 access to behavioral health professionals and to “peer specialists” (i.e., an individual with lived experience that enables him or her to support an individual struggling with a mental health or substance use disorder). The contractor can respond to contacts from individuals who are concerned about their own behavioral health, as well as third parties who are concerned about someone or simply seeking information. The contractor recently told the Committee that when an individual experiencing a behavioral health crisis is able to talk to a trained professional at the right time, it often results in that individual remaining safe from harm without the need for in-person services. For those individuals who require or would benefit from in-person services, the hotline/warmline plays an important role in referring and connecting individuals with appropriate services and resources within their local community. When warranted, the hotline/warmline staff facilitates involvement of a local mobile crisis team or law enforcement, and stay on the line until such teams can respond.

Increase for Marketing

The Department requests an increase of \$300,000 General Fund (50.0 percent) to increase outreach and marketing so that more Coloradans are aware of available crisis services throughout the state. The existing marketing contract supports various television, radio, and on-line media activities. The Department indicates that while there has been increased utilization of the crisis response system hotline/warmline, there is still not statewide recognition and understanding of the system and how it may interface with other resources.

The Department’s decision item, supplemental request, and hearing responses include a few different descriptions of the purposes of the requested funds:

- Existing funding is insufficient to effectively reach the general public and target audiences to inform and educate regarding how to access services within the Crisis Response System. The Department supports this statement by comparing the existing \$600,000 appropriation of \$1,393,250 for the public awareness campaign for the child welfare hotline.
- A targeted marketing campaign would be conducted to law enforcement, fire/paramedics, and 911 dispatches in an effort to direct appropriate utilization of behavioral health crisis services to specialized treatment providers. This will avoid unnecessary utilization of higher cost levels of care such as emergency departments and inpatient treatment.
- The current contractor recommends a media budget that will allow for additional bursts of media at key times throughout the year, including television, radio, outdoor, and online marketing in both English and Spanish. Funds will also be used to develop new, targeted messaging to populations and groups that currently under-utilize the services, such as Latinos, other ethnic minorities, and military service members, veterans, and their families.
- The Colorado Health Foundation’s “2016 Colorado Health Report Card Data Spotlight Mental Health” indicates that despite many improvements in the behavioral health care system there is still room to:
 - Reduce Colorado’s national suicide ranking from 5th in the nation;
 - Target marketing to the highest risk populations identified by the Suicide Prevention Commission including older adults, active duty military personnel and veterans, working age men, LGBTQ youth, and Hispanic/Latina youth; and

- Reduce the stigma related to seeking help for mental health concerns.

More recently, in response to a staff inquiry about the data that formed the basis for the Department's determination that certain populations and groups currently under-utilize the services, the Department indicated that its conclusions were based on anecdotal reports and limited data. The Department provided this limited data in Tables 1 and 2, below.

Table 1: Gender of Clients Entering Crisis Stabilization Units (CSUs) or Receiving Respite Treatment		
Gender	% CSUs and Respite Treatment	% State Population in Colorado
Male	54.6%	50.3%
Female	45.4%	49.7%

Table 2: Hotline Calls		
Region	% of Hotline Calls	% State Population in Each Region*
Denver Metro	65.3%	57%
Northeast	7.6%	13%
Southeast	18.3%	20%
Western Slope	4.6%	10%
Out of State	4.3%	NA

*State population data from www.census.gov

The Department indicated that the data suggests that women and individuals in rural areas are underutilizing the Crisis Response System. The Department also indicated that it has received reports indicating that individuals in rural areas are often unaware of the crisis hotline. The data in Table 2, above, provides data comparing the percent of hotline calls (defined as the average percent of calls received by each region over the last 12 months) to the state population in each region. This data reveals that a disproportionate share of hotline calls come from the Denver metropolitan area, and the most significant differences between hotline use and population occurs on the Western Slope and in the northeast region.

Staff recommends denying the request to increase funding for the marketing component of the crisis response system for several reasons. First, staff is not able to clearly describe how the additional requested funds would be used. The request and the information provided to date identify several different objectives, including: (a) an overall increase in the media budget and statewide marketing materials; (b) targeted marketing for law enforcement, fire/paramedics, and 911 dispatches; (c) targeted marketing to certain groups that are at the highest risk for suicide; and (d) targeted messaging to populations and groups that currently under-utilize the services (women and individuals in rural areas).

Second, the request does not provide any details about how the existing funding is utilized or how the requested funding would be utilized (i.e., vendor service fees, advertising production expenses, and media placement expenses). Further, the request also does not provide any information about the effectiveness of the media campaigns that have been conducted since FY 2013-14. The original

statement of work prepared by the contractor, which was incorporated into the initial marketing contract, indicated that the vendor would:

“Oversee campaign evaluation to monitor and analyze results against goals and key performance indicators set at the beginning of a campaign in the planning stage, in order to demonstrate to what degree we have moved the needle. Results are determined through tracking studies as well as behavioral and attitudinal surveys to evaluate changes in awareness, education, behavior and attitudes.”

The request references the most recent annual report that was provided by the contractor about its contract activities in FY 2015-16. This report includes data such as the allocation of the media budget between television, online banners, and pay-per-click, the number of media impressions, spots, or numbers of clicks that resulted, and the ratings for various stations. The report indicates that five Spanish language television stations were included in the media buy in FY 2015-16, and paid interview opportunities were secured with five Spanish language radio stations. The request does not provide any data indicating the results or effectiveness of the first three years of funding for marketing.

Third, staff continues to be skeptical about the likely effectiveness of the proposed targeted marketing campaign to law enforcement, fire/paramedics, and 911 dispatches in an effort to direct appropriate utilization of behavioral health crisis services. Based on staff's discussions with behavioral health crisis contractors and law enforcement, as well as the discussions that staff observed among representatives on the Mental Health Hold Task Force, the key to changing behavior and referral patterns is the development of the local relationships between law enforcement and crisis system staff.

Finally, during the discussion of the supplemental request, the Committee raised concerns about whether the Crisis Response System is meeting the needs of individuals who live in rural areas. After receiving the related data from the Department (provided above), staff reached out to community mental health centers (Centers) in the rural regions of the state and asked the following questions:

- Do you continue to operate a locally funded behavioral health hotline and, if so, why? Please share available data concerning the number of calls received by your locally funded hotline.
- Are you concerned that people in your region are under-utilizing the Crisis Response System hotline or other Crisis Response services? If so, how would you suggest addressing this issue?
- What improvements, if any, would you like to see in the state-funded marketing efforts related to the Crisis Response System?

Staff received responses from four Centers in four different regions. All four responding Centers continue to operate a local crisis services or hotline because these numbers have been well publicized for many years and the community (e.g., law enforcement, hospitals, schools, clients, etc.) already knows and uses this number. In one instance, the Center contracts with Rocky Mountain Crisis Partners (the same vendor that operates the statewide hotline), but the call is answered using the local Center's name, which “gives the person calling that local feel that is so important to individuals in rural Colorado”. Given the call volumes reported by two Centers (about 1,600 calls per month for one and an average of 585 per month for another), it appears that the primary reason that the number of calls to/from the statewide hotline is relatively low for rural areas is the continued use of these locally supported hotlines.

With respect to access to Crisis Response System services, Centers expressed concerns about access in their respective regions to crisis stabilization units (CSUs) and respite care. The Centers indicated that these access issues can and should be addressed by investing in the existing system (Centers and the Crisis Response System contractors), including:

- Expanding transportation resources (both fleet and staff) to quickly move individuals to the level of care they need;
- Expanding mobile response resources;
- Expanding existing respite resources;
- Adding crisis stabilization units in other locations (e.g., Frisco); and
- Convening regional meetings to discuss the lack of availability for both CSUs and respite care (and to study any available data about the county of residence for individuals utilizing these resources so that the best location(s) could be determined).

With respect to improving the state-funded marketing efforts related to the Crisis Response System, Centers offered the following suggestions and comments:

- Allow a Center to partner with Cactus to market the use of both the statewide and local hotlines, consistent with the philosophy of “no wrong door”.
- “They do not understand how to market in rural Colorado. Social media is the best venue for marketing, especially with youth.”
- “A bit of billboard marketing on I-76 and I-70 as they head out on the Eastern plains would catch the attention of almost every resident in our Centennial area. Social media is another great idea.”
- “I do not believe marketing is the way to go, as it applies to the western slope”.

While staff recommends denying this component of R8, staff notes that the budget amendment the Department submitted to implement some of the recommendations of the Mental Health Hold Task Force (BA6) would address the above concerns about access to CSUs and respite care in rural regions. Further, the budget amendment that the Department submitted to implement some of the recommendations of the CCJJ (BA7) would support the development of partnerships between behavioral health agencies and local law enforcement agencies so encourage appropriate utilization of behavioral health crisis services.

Decrease for Community Transition Services

The Community Transition Services line item appropriation 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. The existing appropriation supports a “money follows the individual” program, and funds are used for two purposes:

- The Department contracts with Behavioral Healthcare Inc. (“BHI”, 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 agencies² 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.

The Department proposes decreasing this appropriation by \$900,000.

Consistent with the Committee's action on the associated supplemental request, staff recommends approving the request, and maintaining the \$900,000 reduction in the General Fund appropriation for Community Transition Services. This reduction is reasonable based on recent expenditures and the current utilization of this appropriation.

→ R10 MENTAL HEALTH INSTITUTES SECURITY ENHANCEMENTS

REQUEST: The Department requests \$609,307 General Fund for security enhancements at both mental health institutes. The Department indicates that ongoing funding of \$34,788 General Fund is required in FY 2018-19 and subsequent fiscal years.

RECOMMENDATION: **Staff recommends approving \$580,507 of the request for FY 2017-18.** Staff's recommendation excludes \$28,800 for replacing 36 security cameras in seclusion rooms at Colorado Mental Health Institute at Fort Logan (CMHIFL). The Department has acknowledged that these replacement costs would be covered if the Committee approves the request concerning capital outlay funding (R16). If the Committee does not approve R16, staff recommends approving the full amount requested for R10.

ANALYSIS: The Department indicates that this request is in response to “lock downs” at both mental health institutes and other escalating security risks. Specifically, the hospital security unit at the Colorado Mental Health Institute at Pueblo (CMHIP) responded to approximately 200 traffic-related incidents (e.g., driving under the influence (DUI), speeding, careless driving, failure to yield, motor vehicle accidents) from April 2015 to April 2016. Four of these incidents placed the campus at risk for an active shooter, person(s) with a gun, or high risk situation. The security unit at CMHIFL responded to 47 calls for service outside the facility in FY 2014-15, including suspicious persons, traffic accidents, and DUIs. Due to the increased number of high risk situations on or near CMHIP grounds, the security unit conducted an active shooter drill. This drill highlighted the need for additional training and key items that would be needed to assist in a real active shooter situation (e.g., a new phone system at the CMHIP communications desk and wireless headsets for security personnel).

² 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.

The Department's request includes three components.

First, the Department requests a total of \$401,667 for security cameras, including:

- 34 to replace existing cameras in seclusion and restraint rooms; and
- 45 for areas not currently monitored, including seven for seclusion and restraint rooms, eight for medicine rooms, and 30 for common areas, high sensitivity areas, and external points of entry.

The new cameras will have more efficient, ultra-wide lenses to allow one to view an entire room, including the floor under the camera. The request also includes a vandal-resistant enclosure and DVR recording systems. Department indicates that \$34,788 of ongoing funding would be required to maintain security cameras.

Second, the Department requests \$117,160 for security staff training, weaponry, and gear. This request includes a total of \$100,760 for a variety of security-related items, including:

- A radio communication system for the CMHIP communication center and wireless headsets for security staff;
- Portable radios for CMHIFL;
- Training guns and ammunition;
- Protective gear, body armor and ballistic shields; and
- Flashlights.

This request also includes \$16,400 for specialized training, including active shooter training and tactical treatment of gunshot wounds.

Third, the Department requests \$90,480 for physical modifications at each institute:

- The Department requests \$64,300 to install a metal detector at the front door at CMHIFL, and proximity readers for doors at CMHIFL. The proximity readers will provide an automated log of individuals entering and exiting the facility and limit the need for issuing keys to hospital staff. This system would also allow CMHIFL to lock all doors remotely in a crisis situation.
- The Department requests \$26,180 to modify a nurses' station on the advanced cognitive behavioral unit at CMHIP. The current station does not provide sufficient privacy for patient records or staff conversations about patient care. The Department would also like to reconfigure the station to allow for better monitoring of patients via cameras and screens, and more space for charting (rather than having charts in another room).

Staff recommends approving the request to allow the Department to provide appropriate training and gear for security staff at both institutes. However, staff recommends appropriating \$28,800 less than the amount requested as this amount is included in the Department's capital outlay-related request (R16).

→ R14 SUBSTANCE USE DISORDER TREATMENT AT THE MENTAL HEALTH INSTITUTES

REQUEST: The Department requests a total of \$661,947 cash funds from the Marijuana Tax Cash Fund (MCTF) to add 8.0 FTE certified addiction counselors to expand substance use disorder treatment at both mental health institutes.

RECOMMENDATION: Staff recommends approving the request, with minor adjustments based on applying the common policy of excluding funding for employee benefits in the first year.

Specifically, staff recommends appropriating a total of \$556,985 cash funds from the MTCF for FY 2017-18.

ANALYSIS: The Department requests funding to add 8.0 FTE certified addiction counselors, including 3.0 FTE for CMHIFL and 5.0 FTE for CMHIP, to provide substance use disorder treatment for patients who are dually diagnosed with substance use and mental health disorders. With existing staffing patterns, the substance use-related services are limited. For example, at CMHIFL, existing staff provide one weekly substance abuse education group for one of four teams, and weekly cognitive behavioral therapy/substance abuse group for each of four teams. In FY 2015-16, 55 percent of patients admitted to CMHIFL (excluding admissions for electroconvulsive therapy) received a dual diagnosis of psychiatric disorder and some type of substance abuse diagnosis.

At CMHIP, there are currently 3.0 FTE certified addiction counselors that previously only provided treatment to patients found not guilty by reason of insanity. This group of staff provides several weekly groups, but the number of patients needing treatment exceeds the capacity of this group. The requested staff would increase the treatment available to patients at CMHIP, and would also provide treatment in the community for former forensic patients who have been released to the community but continue to be monitored by CMHIP staff. In FY 2015-16, 61 percent of patients admitted to CMHIP (excluding admissions for electroconvulsive therapy) received a dual diagnosis of psychiatric disorder and some type of substance abuse diagnosis. In addition, for half of the 87 former forensic patients who are being monitored in the community, substance abuse has been identified as a significant risk factor and is thus monitored. Currently, 20 patients are receiving active substance abuse treatment and an additional 38 could benefit if the resources are made available.

The Department indicates that when a patient is discharged but is not provided needed services to support sobriety in the community, it can lead to decompensation and a return to the institute. If a patient has several failed attempts at reintegration into the community, placement facilities are hesitant to accept them, creating a barrier to discharge.

The Department's request includes funding for staff salaries and benefits, operating expenses, and one-time equipment and furniture. In addition, the request includes \$49,045 to renovate a room that was designed as a dining room but has been used as a makeshift room for group sessions. The requested funds are intended to create a more therapeutic environment and provide enhanced privacy. The Department indicates that each of the FTE are expected to provide one-on-one treatment for 8-10 patients and the associated case management, as well as providing approximately four substance use education group sessions. Thus, the additional staff is expected to expand capacity to provide therapy for 64 to 80 patients, expand patient access to substance use-related group education, and assist these patients with discharge planning and coordinating resources in the community.

Staff recommends approving the request so that both institutes have the resources to provide substance use-related treatment for patients who would benefit from such services. The Department indicates that if this request is approved, the new staff would implement a systemic screening and assessment criteria, provide one-on-one treatment for individuals with significant risk factors, coordinate treatment plans with other clinicians at the institutes, and work collaboratively to develop a relapse prevention plan that extends to a patient's discharge into the community. These services

should facilitate the process of discharging patients to the community and may improve the likelihood of patients continuing with treatment and recovery services when they return to the community.

The following table details the recommendation for FY 2017-18 and the funding that would be provided for ongoing expenses in FY 2018-19.

SUMMARY OF RECOMMENDATION FOR R14: SUBSTANCE USE DISORDER TREATMENT AT THE MENTAL HEALTH INSTITUTES			
DESCRIPTION	FY 2017-18	FY 2018-19	ANNUAL CHANGE
Executive Director's Office			
<i>General Administration</i>			
Health, Life, and Dental	\$0	\$63,418	\$63,418
Short-term Disability	0	775	775
S.B. 04-257 AED	0	20,384	20,384
S.B. 06-235 SAED	0	20,384	20,384
Subtotal	0	104,960	104,960
Office of Behavioral Health			
<i>Mental Health Institutes</i>			
<i>Mental Health Institute at Ft. Logan</i>			
Personal Services			
Salary	154,224	154,224	0
PERA	15,654	15,654	0
Medicare	<u>2,236</u>	<u>2,236</u>	<u>0</u>
Subtotal	172,114	172,114	0
FTE	3.0	3.0	0.0
Operating Expenses (includes start-up supplies)	19,084	2,850	(16,234)
<i>Mental Health Institute at Pueblo</i>			
Personal Services			
Salary	253,452	253,452	0
PERA	25,725	25,725	0
Medicare	<u>3,675</u>	<u>3,675</u>	<u>0</u>
Subtotal	282,852	282,852	0
FTE	5.0	5.0	0.0
Operating Expenses (includes start-up supplies and renovation for group room)	82,935	4,750	(78,185)
Subtotal	\$556,985	\$462,566	(94,419)
FTE	8.0	8.0	0.0
Total Cash Funds (MTCF)	\$556,985	\$567,527	\$10,541
FTE	8.0	8.0	0.0

This use of money in the MTCF is clearly authorized under Section 39-28.8-501 (2)(b)(IV), C.R.S.:

“Subject to the limitation in subsection (5) of this section, the general assembly may annually appropriate any money in the fund for any fiscal year following the fiscal year in which they were received by the state for the following purposes:

...(C) To treat and provide related services to people with any type of substance use disorder, including those with co-occurring disorders, or to evaluate the effectiveness and sufficiency of substance use disorder services;”.

→ R16 MENTAL HEALTH INSTITUTE CAPITAL OUTLAY

REQUEST: The Department requests \$350,377 General Fund to implement a standardized equipment replacement and minor renovation plan at both mental health institutes. This funding would continue for subsequent fiscal years.

RECOMMENDATION: **Staff recommends approving the request.**

ANALYSIS:

Background Information: Capital Outlay Funding

In FY 2015-16, the General Assembly approved a one-time funding request for \$1.7 million General Fund for the replacement of equipment and furnishings and minor renovations at the mental health institutes. This included \$920,448 for CMHIFL and \$790,955 for CMHIP. At that time, staff also recommended that \$52,000 of the funding continue to be provided annually in subsequent years (including \$9,000 for CMHIFL and \$43,000 for CMHIP) 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. These ongoing amounts of capital outlay funding were based on those items in the FY 2015-16 request that staff would classify as operating budget requests (versus those that could be classified as controlled maintenance capital construction requests), and the ten years that had passed since the last request of this nature was submitted (\$521,598 / 10 years = \$52,160). Staff allocated this amount between the two institutes based on the number of beds at each institute (\$95 per bed). The goal of this recommendation was to provide predictable, ongoing funding to allow the institutes to replace equipment and make minor repairs on an ongoing basis based on the needs of patients and staff.

Finally, staff indicated that it was likely that a portion of the existing appropriations for Operating Expenses should also be shifted to the Capital Outlay line items starting in FY 2016-17 to more accurately reflect annual capital outlay expenditures. Based on information provided by the Department, staff recommended (and the Committee approved) shifting a total of \$86,607 from the Operating Expenses line items to the Capital Outlay line items (including \$20,814 for CMHIFL and \$65,793 for CMHIP) to more accurately reflect annual capital outlay expenditures.

For FY 2016-17, the Department also submitted a “contingent” budget request for an additional \$505,304 (including \$101,909 for CMHIFL and \$403,395 for CMHIP) for ongoing capital outlay needs. As this was not an official request, no action was taken.

Department Request for FY 2017-18

For FY 2017-18, the Department submitted an official request for additional capital outlay funding to implement a standardized methodology for replacing medical equipment, kitchen equipment, and furnishings, and making minor renovations at the mental health institutes. This request is smaller than the contingent request submitted last year (\$350,377 compared to \$505,304).

The Department indicates that the existing Capital Outlay appropriations are insufficient to cover the costs of implementing a standardized replacement schedule. Based on the Department of Corrections’ practice, the Department’s proposed methodology utilizes an average useful life of 16 years for all kitchen and patient room items, and 10 years for medical equipment. The average age of

CMHIP kitchen items, after the replacements made in FY 2015-16, is 19 years. The requested funding is based on calculating the total amount invested in those items that are categorized as operating requests pursuant to Joint Resolution 14-039, and dividing these amounts by the relevant average useful life. The Department's investment is valued at \$8.2 million, including:

- \$2,940,175 kitchen equipment;
- \$2,681,500 furniture and equipment for patient rooms, day rooms, group rooms, bathrooms, dining rooms, conference rooms, seclusion rooms, nursing stations, and chart rooms; and
- \$2,574,851 medical equipment.

The Department has included a 25 percent installation and contingency cost to cover unforeseen installation-related costs such as electrical, plumbing, and asbestos mitigation. The Department's request only includes 50 percent of the targeted annual replacement funding for CMHIP "in order to maintain a manageable level of repairs and replacements that can be completed on an annual basis". This reduces the overall request by \$324,067.

The Department's request is thus based on a total annual equipment and furniture replacement cost of \$608,841, plus 25 percent installation/contingency of \$152,210, less \$324,067 reduction for CMHIP based on operational limitations³ = \$436,984. When compared to the existing Capital Outlay appropriations totaling \$86,607, this requires an increase of \$350,377.

→ BA3 MENTAL HEALTH INSTITUTE REVENUE ADJUSTMENT

REQUEST: The Committee recently approved a Department request for adjustments to FY 2016-17 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 decreased direct General Fund appropriations to the Department of Human Services (DHS) by \$141,021. In addition, the adjustments included an increase in the amount of Medicaid funds that would be transferred from the Department of Health Care Policy and Financing (HCPF), including an increase of \$68,820 General Fund. Thus, the request decreased total General Fund appropriations to both departments by \$72,201. The Department requests continuation of these adjustments in FY 2017-18, with minor changes to reflect the correct federal match rate for Medicaid funds that are transferred from HCPF.

STAFF RECOMMENDATION: **Consistent with Committee action on the supplemental request, staff recommends that the Committee approve the request.** Staff's corresponding recommendation for the HCPF reflects the applicable 50/50 federal Medicaid match rate for SFY 2017-18.

STAFF ANALYSIS: The mental health institutes at Fort Logan and Pueblo receive revenues from various sources to pay for the cost of patient care and other services including: patient payments (typically from disability benefits); Medicare; Medicaid; commercial insurance; and other State agencies (the Departments of Corrections and Education). The institutes transfer a portion of this

³ The Department indicates that undertaking the scope for the entire annual replacement budget at CMHIP (\$648,135) in a single fiscal year could pose operational challenges in terms of both impacts to daily hospital operations as well and work required to solicit services, secure a vendor, write contracts, install items, and contract for any related engineering or architectural services.

revenue to other offices within the Department (the Executive Director's Office, the Office of Information Technology Services, and the Office of Operations) that provide support functions for institute operations, such as facilities management, information technology services, and accounting. The Department typically submits a supplemental request and a budget amendment each year to adjust revenue sources based on the patient mix and any changes to Medicare and Medicaid reimbursements.

Generally, the recently approved adjustments reflect a \$19,181 decrease in cash funds, consisting of:

- A \$785,249 decrease in revenue from patient fees, commercial insurance, and Medicare Part D revenue from prescription drug plans, primarily due to changes in the patient mix and their corresponding eligibility for benefits; and
- A \$766,068 increase in revenue from Medicare A and B claims based on patient mix, eligible Medicare benefits, number of billable days, and rate changes.

The adjustments also include a \$160,202 increase in reappropriated funds, including:

- A \$138,192 increase in revenue from Medicaid "fee-for-service" payments made to the institutes for the provision of services for Division of Youth Corrections clients and forensic clients;
- A \$58,658 increase in Medicaid capitation revenue from Behavioral Health Organizations (BHOs) due to an increase in the number of billable days; and
- A \$36,648 decrease in revenue transferred from the Department of Education's Facility School Funding line item based on the projected number of adolescents at the institute in Pueblo.

Based on the net increase of \$141,021 in the above revenue sources, the Department requested a \$141,021 decrease in direct General Fund appropriations for the institutes.

→ BA6 IMPLEMENTATION OF MENTAL HEALTH HOLD TASK FORCE RECOMMENDATIONS

GENERAL NOTE RELATED TO BA6 AND BA7: Several groups met over the course of the 2016 legislative interim discussing the involvement of individuals with behavioral health needs in the criminal justice system. Three of these groups have made recommendations that will come before the General Assembly:

- The Commission on Criminal and Juvenile Justice (CCJJ) Mental Health/Point of Contact through Release from Jail Task Force;
- The Governor's Mental Health Hold Task Force; and
- The Mental Illness in the Criminal Justice System (MICJS) Legislative Oversight Committee.

The Governor's initial budget request included \$16.3 million from the Marijuana Tax Cash Fund (MCTF) for supportive housing and rapid rehousing initiatives (these were included in the Department of Local Affairs' budget request). The Governor's initial budget proposal also earmarked \$16.0 million from the MCTF for various legislative and budget initiatives, including \$4.0 million to potentially implement the recommendations of the Mental Health Hold Task Force and \$4.0 million to divert low level drug offenders and people with behavioral health needs from the criminal justice system. The Department of Human Services recently submitted two budget amendments to implement the recommendations of the Mental Health Hold Task Force (BA6) and

the CCJJ recommendations (BA7). These budget amendments, which request a total of \$9,645,018 from the MTCF for FY 2017-18, are described below.

With respect to the MICJS Oversight Committee, four bills have been introduced. One of these bills (H.B. 17-1020) has passed both chambers and it does not require or include an appropriation. The other three bills are pending in the Senate and, based on the initial Legislative Council Staff Fiscal Notes, would require appropriations:

- S.B. 17-012 establishes the Department of Human Services' Office of Behavioral Health as the agency responsible for mental competency restoration education and the coordination of competency restoration services. The Fiscal Note indicates that the Department would require \$1,171,723 General Fund starting in FY 2017-18 to implement the bill.
- S.B. 17-019 includes provisions designed to promote increased medication consistency for persons with mental illness in the criminal and juvenile justice systems. The Fiscal Note indicates that the Department of Human Services and the Governor's Office of Information Technology would require \$526,726 General Fund to implement the bill in FY 2017-18, with ongoing funding of \$110,811 General Fund in subsequent fiscal years.
- S.B. 17-021 establishes two programs for persons with mental illness transitioning from incarceration: (a) a housing assistance program (administered through the Department of Local Affairs) to provide vouchers to persons newly released from the Department of Corrections or a county jail; and (b) a reentry program for incarcerated persons with mental illness (administered through the Department of Human Services) to provide assistance for offenders (e.g., housing, supportive employment services, medication management, etc.) The Fiscal Note indicates that the two departments would require a total of \$5,045,076 General Fund starting in FY 2017-18 if all of the programs created by the bill are fully funded.

For more background information about the authorization, membership (including legislators), purpose, and recent recommendations of these groups, please see the JBC Staff Budget Briefing for the Department of Human Services' behavioral health services programs, dated December 13, 2016 (the issue begins on page 34).

BA6 REQUEST: The Department requests \$3,580,318 cash funds from the Marijuana Tax Cash Fund (MTCF) to make enhancements to the Behavioral Health Crisis Response System (Crisis Response System) that are needed to implement the Mental Health Hold Task Force recommendations. The request includes five components:

- (\$57,500) Statewide training for first responders, hospital staff, and others who are involved in mental health holds;
- (\$2,011,481) Regional coordination involving Crisis Response System contractors, local hospitals, local law enforcement agencies, behavioral health organizations, community mental health centers, substance use disorder providers, county human services agencies, and individuals with lived experience, with a goal of identifying and addressing gaps in the availability of 24-7 services for individuals experiencing a behavioral health crisis;
- (\$976,255) Funding for rural Crisis Response System regions to expand the capacity of existing facilities to provide 24-7 crisis stabilization services;
- (\$50,000) A study that examines population and need data related to behavioral health crises, and compares this data to the existing resources available in each region; and

- (\$485,082) Conduct a two year pilot program to evaluate the provision of safe, secure transportation of individuals from jails, hospital emergency departments, and other community locations to facilities designated to receive individuals through the emergency mental health hold process.

The Department indicates that ongoing funding of \$3,744,438 cash funds is required in FY 2018-19 and subsequent fiscal years.

RECOMMENDATION: Staff recommends that the Committee consider establishing a **\$3,600,000 placeholder within its overall proposed appropriations from the MTCF for FY 2017-18**. This funding would be set aside specifically for appropriation in one or more bills that seek to implement the recommendations of the Mental Health Hold Task Force or the CCJJ Task Force. Staff does not recommend including the requested funding in the FY 2017-18 Long Bill, in part, because current law does not authorize the appropriation of money in the MTCF for the purposes described in BA6.

ANALYSIS: The Mental Health Hold Task Force issued the following eight recommendations:

- End the use of law enforcement facilities for M-1 Holds
- Streamline regulations and establish a stronger system of accountability.
- Establish a tiered system for carrying out M-1 Holds
- Ensure network adequacy
- Expand and extend the behavioral health workforce
- Create a sustainable and reliable data monitoring system
- Ensure proper payment for treatment of individuals on mental health holds
- Identify and pilot client transportation solutions that reduce the costs, stigma, and trauma associated with M-1 transport

The full final report of the Mental Health Hold Task Force is accessible at:
<https://drive.google.com/file/d/0B5VYtOtGTnaxZ1NCY1A1Rndjem8/view>

The Department requests \$3,580,318 cash funds from the Marijuana Tax Cash Fund (MTCF) to make enhancements to the Behavioral Health Crisis Response System (Crisis Response System) that are needed to implement the Task Force recommendations. The request includes five components:

- (\$57,500) The Department requests funding to procure statewide training for first responders, hospital staff, and other professionals who have regular involvement with mental health holds. The goal is to provide consistent training to ensure appropriate mental health treatment and to protect the rights of individuals who experience a behavioral health crisis under the federal Emergency Medical Treatment and Labor Act (EMTLA) and due process standards. The training would be uniform across the state and delivered by individuals who are experts in legal protections and clinical best practices, and individuals with lived experience with mental health crises.
- (\$2,011,481) The Department requests funding to support regional coordination involving Crisis Response System contractors, local hospitals, local law enforcement agencies, behavioral health organizations, community mental health centers, substance use disorder providers, county human services agencies, and individuals with lived experience, with a goal of identifying problems and system gaps. The goal is to develop local partnerships that make a broad array of

24-7 crisis intervention services available in all communities. These services should include the ability to respond to a behavioral health crisis anywhere in the state within two hours, and to have walk-in centers that are appropriately designated, prepared, and staffed to accept an individual through the emergency mental health hold process. These funds may be used for enhancements such as:

- the installation of telehealth infrastructure in rural hospitals;
 - transportation resources;
 - security and attendants for hospitals and clinics;
 - supplemental staff and peer professionals to help de-escalate and treat patients at local hospitals;
 - follow-up case management; and
 - expanding mobile crisis unit capacity.
- (\$976,255) The Department requests funding to expand behavioral health crisis stabilization services in Western Colorado. Ongoing funding in FY 2018-19 is expected to increase to \$1,300,375. The request is based on a prospective bidder establishing a six to eight bed crisis stabilization unit with a walk-in center in a geographic location that would best serve the Western Slope. However, based on more recent conversations with Department staff, it appears that this funding would likely be used for the same purposes described above, but focused on enhancing funding for the three rural Crisis Response System regions to expand the capacity of existing facilities to provide 24-7 stabilization services.
 - (\$50,000) The Department requests a one-time appropriation to procure a study that examines population and need data related to behavioral health crises, and compares this data to the existing resources available in each region. The goal is to assist the Departments of Human Services, Health Care Policy and Financing, and Public Health and Environment in identifying where existing resources should be allocated to effectively meet behavioral health needs statewide.
 - (\$485,082) The Department requests funding to conduct a two year pilot program to evaluate the provision of safe, secure transportation of individuals from jails, hospital emergency departments, and other community locations to facilities designated to receive individuals through the emergency mental health hold process. The goal is to establish two transportation pilot teams that would operate in rural Crisis Response System regions. The goals are to reduce the burden on local law enforcement and ambulance services and improve the care provided to the individual who is experiencing the behavioral health crisis. This pilot program would operate for two years, collecting data concerning: the number, source, and reasons for calls requiring secure transport; travel time; costs and availability of insurance reimbursement; best operational practices, and customer satisfaction. The request includes funding to evaluate the data collected and review existing statutes, regulations, and best practices within Colorado and other states.

Staff Recommendation

Staff believes that many of the proposals in BA6 have merit and would be required to implement some of the recommendations of the Mental Health Hold Task Force. This request is also consistent with some of the recommendations recently approved by the Colorado Commission on Criminal and Juvenile Justice (CCJJ). Specifically, the CCJJ recommends prioritizing the funding for the following items to ensure an adequate crisis response network in all Colorado communities:

- Expanding existing facilities and operations to reach 24/7 capacity in all counties. This would include expanding mobile response resources and the installation and use of tele-health for mobile crisis evaluations in partnership settings (e.g. hospitals, health clinics, law enforcement facilities, and other crisis service locations).
- Expanding the availability of 24-7 walk-in centers to manage high-acuity encounters. This could include the installation and use of tele-health for walk-in crisis evaluations in partnership settings, as well as the provision of incentives to partner with or designate 24-7 and tele-health capable walk-in-centers at existing facilities in rural communities (e.g., other community mental health center outpatient facilities and clinics, substance use disorder treatment facilities, law enforcement substations with community mental health center or Crisis Response System staff conducting services via tele-health, and other primary care facilities). The recommendation targets all three rural Crisis Response System regions (Western Slope, NE region, and SE region).

Staff notes that this proposal does not include funding to collect consistent, statewide data concerning mental health holds. Without this data, it will be difficult to determine whether the capacity of the Crisis Response System is adequate to meet the needs of individuals experiencing behavioral health crises in various regions.

Staff does not recommend approving any of the elements of this request for inclusion in the FY 2017-18 Long Bill. First, Section 39-28.8-501 (2)(b)(IV), C.R.S., lists the authorized purposes for which the General Assembly may appropriate money in the MTCF. The existing provision that most closely relates to the items in the above request is currently limited to the provision of services to individuals with a substance use disorder:

“Subject to the limitation in subsection (5) of this section, the general assembly may annually appropriate any money in the fund for any fiscal year following the fiscal year in which they were received by the state for the following purposes:

...(C) To treat and provide related services to people with any type of substance use disorder, including those with co-occurring disorders, or to evaluate the effectiveness and sufficiency of substance use disorder services;”.

In addition, based on staff’s observations of both the Mental Health Hold Task Force and the CCJJ Task Force, staff believes that it would be prudent to allow a bill that ends the use of law enforcement facilities for mental health holds to also include the appropriations that are required to ensure that local communities have the capacity to meet the needs of individuals who are experiencing a behavioral health crisis, including individuals who are placed on a mental health hold.

→ BA7 DIVERSION FROM THE CRIMINAL JUSTICE SYSTEM

REQUEST: The Department requests \$6,064,700 cash funds from the Marijuana Tax Cash Fund (MTCF) to support community-based criminal justice diversion programs, integrated behavioral health, and crisis system coordination for individuals involved with or at risk of involvement with the criminal justice system. The Department indicates that this request is in alignment with the recommendations recently approved by the Colorado Commission on Criminal and Juvenile Justice

(CCJJ). The Department indicates that 2.3 FTE are required for related administration, and ongoing funding of \$6,100,591 is required in FY 2018-19 and subsequent fiscal years.

The request includes the following components for FY 2017-18:

- (\$5,624,700) Implement evidence-based, pre-booking criminal justice diversion programs, including the following:
 - \$2,470,000 to fund and evaluate Law Enforcement Assisted Diversion (LEAD) pilot programs in four communities to divert individuals with substance use disorders;
 - \$2,900,000 to support other local partnerships between law enforcement and behavioral health agencies, such as co-responder models for mental health-related police calls;
 - \$60,000 to provide one-time funding for technical assistance and planning in six communities; and
 - \$194,700 to support 2.3 FTE state staff to administer funding for the above programs.
- (\$440,000) Behavioral Health Crisis Response System contractor staff responsible for collaborating with law enforcement agencies.

RECOMMENDATION: **Staff recommends that the Committee:**

- **Appropriate \$2,557,942 from the Marijuana Tax Cash Fund in the FY 2017-18 Long Bill for the LEAD pilot programs and the associated evaluation and administrative expenses (1.3 FTE); and**
- **consider establishing a \$3,500,000 placeholder within its overall proposed appropriations from the MTCF for FY 2017-18.** This funding would be set aside specifically for appropriation in one or more bills that seek to implement the recommendations of the Mental Health Hold Task Force or the CCJJ Task Force. Staff does not recommend including the requested funding in the FY 2017-18 Long Bill, in part, because current law does not authorize the appropriation of money in the MTCF for purposes described in BA7.

ANALYSIS:

CCJJ Recommendations

The CCJJ approved the following four recommendations:

- Strengthen a Community-Based Crisis Response: Position the Colorado Crisis Services System as the comprehensive response to behavioral health emergencies in all Colorado communities by making the following reforms:
 - Strengthen and enhance existing crisis services and resources;
 - Amend Section 27-60-103, C.R.S., to clarify the intent of the crisis system;
 - Undertake conforming regulatory changes to crisis system contracting; and
 - Commit resources to incentivize the development and expansion of the crisis services provider network.
- Changes to Emergency Mental Health Commitment Statute: Amend Section 27-65-105, C.R.S., to remove jails and correctional facilities as a placement option for individuals on an M1 (emergency mental health) hold. Introduce language that allows intervening professionals to transport individuals to an outpatient facility for immediate evaluation for treatment based on evidence of need.
- Include Mental Health First Aid (MHFA) Curriculum in POST In-service Training: Officials from the Colorado Peace Officer Standards and Training (POST) will work with staff from the

Colorado Behavioral Healthcare Council (CBHC) to review and include MHFA training through POST for the purpose of training up to 200 officers per month on this topic with training beginning in the spring of 2017.

- Include MHFA Curriculum in POST Basic Academy: Officials from POST will work with staff from CBHC to review the MHFA curriculum, and modify when possible, for inclusion in the POST basic academy standard curriculum.

The full recommendations of the CCJJ Mental Health / Point of Contact Through Jail Release Task Force, as approved by the CCJJ are accessible at:

<https://www.colorado.gov/pacific/ccjj/ccjj-mtgs2017>

As part of the first recommendation above, the CCJJ recommended decriminalizing mental illness in all of the Crisis Response System regions through two initiatives.

- Funding at least 1.0 FTE Justice Liaison/Community Coordinator per Crisis Response System contractor (4.0 FTE total in the state) to oversee the contractors' engagement initiatives with key community partners, (criminal justice agencies, emergency departments (EDs)s, hospitals, primary care facilities, etc.). However, to be fully effective, the CCJJ recommended considering a community resource team in each region, including the following positions:
 - Director/Program Oversight
 - Marketing/Community Relations
 - Training Director
 - Peer Specialist Program Director

This work would include formalizing relationships with all law-enforcement departments in each region (including dispatch centers) and continuing to pursue collaborative community programming. These relationships would facilitate the ability to intervene in behavioral health crises in the community as soon as they are identified to prevent a criminalized experience and/or the potential for a criminalization trajectory.

- Incentivizing local partnerships between law enforcement, behavioral health, and other first responders including:
 - Funding new and existing joint programs that match community need and density using the Bureau of Justice Assistance's Police Mental Health Coordination Toolkit (PMHC toolkit), state (e.g., EDGE, CRT) and national models;
 - Embedding crisis clinicians/consultants in first response systems (law enforcement ride-along, dispatch centers, etc.)

The Crisis Response System Justice Liaison/Community Coordinators in each region would facilitate local relationship building and program oversight.

Department Request

The Department requests a total of \$6,064,700 cash funds from the Marijuana Tax Cash Fund for FY 2017-18 to implement CCJJ recommendations related to supporting local partnerships between law enforcement agencies and behavioral health service providers, and to expand community-based pre-booking criminal justice diversion and harm reduction programs. The request includes a total of \$5,624,700 to implement evidence-based, pre-booking criminal justice diversion programs, including the following:

- \$2,300,000 to fund Law Enforcement Assisted Diversion (LEAD) pilot programs in four communities, involving collaborative partnerships between law enforcement, district attorneys'

offices, sheriffs, treatment providers, and other community stakeholders to divert individuals with substance use disorders;

- \$170,000 to fund an evaluation to measure the effectiveness of the LEAD pilot programs;
- \$2,900,000 to support other local partnerships between law enforcement and behavioral health agencies (in an estimated five to 15 communities), such as co-responder models for mental health-related police calls;
- \$60,000 to provide one-time funding for technical assistance and planning in six communities; and
- \$194,700 to support 2.3 FTE state staff to implement procurement, contracting, contract monitoring, and oversight of the above programs.

The request also includes \$440,000 to allow each Crisis Response System contractor to hire staff who would be responsible for collaborating with law enforcement agencies.

Staff Recommendation

The Department supports this request by providing data about Colorado's relatively high prevalence of behavioral health conditions, the costs of incarcerating offenders whose most serious offense is a non-violent drug offense (approximately \$94.2 million in FY 2013-14), the large proportions of Colorado's inmates that need mental health services (39 percent) and substance use disorder services (74 percent), and the high recidivism rates for offenders with behavioral health disorders (54 percent for those with severe mental illness and 68 percent for those with co-occurring mental illness and drug abuse problems). The goal of this initiative is to reduce the number of arrests for low level offenses and to increase diversion of individuals with mental health and substance use disorders to more appropriate services.

Staff believes that the proposals in BA7 have merit and would be required to implement some of the recommendations of the CCJJ. **Staff recommends that the Committee appropriate \$2,557,942 from the Marijuana Tax Cash Fund in the FY 2017-18 Long Bill to support four LEAD pilot programs, evaluate the programs, and support state staff to oversee both the pilots and the evaluation.** The following table details the recommendation for FY 2017-18 and anticipated ongoing costs for FY 2018-19:

SUMMARY OF RECOMMENDATION FOR BA7: DIVERSION FROM CRIMINAL JUSTICE SYSTEM			
DESCRIPTION	FY 2017-18	FY 2018-19	ANNUAL CHANGE
Executive Director's Office			
<i>General Administration</i>			
Health, Life, and Dental	\$0	\$23,782	\$23,782
Short-term Disability	0	240	240
S.B. 04-257 AED	0	6,321	6,321
S.B. 06-235 SAED	0	6,321	6,321
Subtotal	0	36,663	36,663
Office of Behavioral Health			
<i>Integrated Behavioral Health Services</i>			
Criminal Justice Diversion Programs			
Salary	72,216	72,216	0
PERA	7,330	7,330	0
Medicare	<u>1,047</u>	<u>1,047</u>	<u>0</u>

SUMMARY OF RECOMMENDATION FOR BA7: DIVERSION FROM CRIMINAL JUSTICE SYSTEM			
DESCRIPTION	FY 2017-18	FY 2018-19	ANNUAL CHANGE
Subtotal	80,593	80,593	0
FTE	1.3	1.3	0.0
Operating Expenses	7,349	1,235	(6,114)
LEAD Pilot Programs	2,300,000	2,300,000	0
LEAD Pilot Programs evaluation	170,000	220,000	50,000
Other law enforcement behavioral health partnership models	0	0	0
Technical assistance and planning support	0	0	0
Crisis Response System contractor Justice Liaison/Community Coordinators	0	0	0
Subtotal	\$2,557,942	\$2,601,828	43,886
FTE	1.3	1.3	0.0
Total Cash Funds (MTCF)	\$2,557,942	\$2,638,491	\$80,549
FTE	1.3	1.3	0.0

Staff's calculations assume that the Department would require 0.5 FTE Project Manager I, 0.5 FTE Contract Administrator III, and 0.3 FTE Data Management III to administer the LEAD pilot programs and the associated evaluation. Staff's calculations also differ from the Department's request because staff applies the common policy of excluding funding for employee benefits in the first year, and staff pro rates the operating expenses and capital outlay expenses based on the total number of FTE funded (1.3 rather than 3.0).

The LEAD program requires a collaborative partnership between local law enforcement agencies, district attorneys' offices, sheriffs' offices, treatment providers, and other community stakeholders. LEAD is a pre-arrest diversion program that offers low-level drug offenders case management and other supportive services as an alternative to jail and prosecution. Offenders are screened for program eligibility by officers on duty and, provided they met inclusion criteria and completed in the intake process, they are diverted to the LEAD program instead of undergoing standard jail booking and criminal prosecution. Program participants are referred to a LEAD case manager for an assessment, and then receive ongoing case management services, are connected with existing resources in the community (e.g., legal advocacy, job training or placement, housing assistance, counseling), and may receive some financial aid for basic needs (e.g., motel stays, food, clothing, etc.). Other key program features include coordination of prosecution strategy in any other pending criminal cases participants had in local courts and assistance with miscellaneous civil legal problems.

The primary aim of the program is to reduce criminal recidivism. Secondary aims include reductions in criminal justice service utilization and associated costs, as well as improvements in psychosocial, housing, and quality of life outcomes. The LEAD program is rated as "promising" through www.crimesolutions.org, which is a clearinghouse included in the Colorado Results First Clearinghouse Database.

A June 2015 University of Washington study of Seattle' LEAD program indicates that the program costs an average of \$899 per participant per month initially, but this decreases to \$532 per participant per month after program start-up. The study observed statistically significant reductions for the LEAD group compared to the control group in terms of criminal justice and legal system

utilization (e.g., jail bookings; jail days; prison incarceration; and misdemeanor and felony cases). The study indicates that from pre-to post-evaluation entry, LEAD participants showed cost reductions of \$2,100, compared to cost increases of \$5,961 for control participants. The study notes that LEAD program costs vary widely by community depending on participant characteristics (e.g., prevalence of homelessness) and community factors (e.g., cost of living, Medicaid coverage).

The Department estimates that each of the four pilot programs would require \$575,000 per year for three years (\$2,300,000 annually). The evaluation would be contracted concurrently with the pilot programs and would require \$170,000 in FY 2017-18 and \$220,000 in FYs 2018-19 and 2019-20.

Staff does not recommend approving the remaining components of the request for inclusion in the FY 2017-18 Long Bill. The remaining elements of the request are intended to divert individuals who may have a mental health disorder, substance use disorder, or co-occurring mental health and substance use disorders, from the criminal justice system. Section 39-28.8-501 (2)(b)(IV), C.R.S., lists the authorized purposes for which the General Assembly may appropriate money in the MTCF. The existing provisions that most closely relate to these efforts are currently limited to the provision of services to individuals with a substance use disorder, or to the provision of services for persons involved in the criminal justice system as long as it is through the Correctional Treatment Cash Fund. The latter fund, which originates in the Judicial Department budget, currently supports only substance use-related services for offenders.

“Subject to the limitation in subsection (5) of this section, the general assembly may annually appropriate any money in the fund for any fiscal year following the fiscal year in which they were received by the state for the following purposes:

...(C) To treat and provide related services to people with any type of substance use disorder, including those with co-occurring disorders, or to evaluate the effectiveness and sufficiency of substance use disorder services;

(D) 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.;...”.

In addition, based on staff’s observations of both the Mental Health Hold Task Force and the CCJJ Task Force, staff believes that it would be prudent to allow a bill that ends the use of law enforcement facilities for mental health holds to also include the appropriations that assist law enforcement agencies in diverting individuals with behavioral health problems away from the criminal justice system and local communities have the capacity to meet the needs of these individuals.

Staff thus recommends that the Committee consider establishing a \$3,500,000 placeholder within its overall proposed appropriations from the MTCF for FY 2017-18 (i.e., a total of \$7.1 million for both BA6 and BA7). This funding would be set aside specifically for appropriation in one or more bills that seek to implement the recommendations of the Mental Health Hold Task Force or the CCJJ Task Force.

→ STAFF-INITIATED: MHI CONTRACT MEDICAL SERVICES ADJUSTMENT

RECOMMENDATION: Staff recommends reducing General Fund appropriations for the mental health institutes to purchase outside medical expenses for their patients by a total of **\$557,674 General Fund**. Based on significant reversions in the last two fiscal years, staff asked the Department for data to provide a more complete history of recent expenditures for contract medical service expenditures for each institute. The data provided by the Department is included in the following table.

RECENT HISTORY OF EXPENDITURES FOR CONTRACT MEDICAL SERVICES			
FISCAL YEAR	MENTAL HEALTH INSTITUTE AT FORT LOGAN	MENTAL HEALTH INSTITUTE AT PUEBLO	TOTAL
2006-07	\$694,869	\$813,014	\$1,507,883
2007-08	672,841	955,024	1,627,865
2008-09	1,127,572	1,279,063	2,406,635
2009-10	534,899	1,166,730	1,701,628
2010-11	747,662	1,850,813	2,598,475
2011-12	646,198	1,895,242	2,541,440
2012-13	1,226,205	3,284,615	4,510,820
2013-14	423,313	2,424,596	2,847,909
2014-15	814,208	3,569,146	4,383,354
2015-16	756,692	3,147,461	3,904,153
Average Annual Expenditures	\$764,446	\$2,038,570	\$2,803,016
FY 2016-17 Appropriation	1,269,465	3,589,425	4,858,890
FY 2017-18 Request	1,269,465	3,589,425	4,858,890
FY 2017-18 Recommendation	815,297	3,485,919	4,301,216

Staff asked the Department to review expenditures for the first half of the current fiscal year and to determine whether it would be reasonable to reduce one or both appropriations for FY 2017-18. Department staff noted the volatility in annual expenditures. However, Department staff suggested that if these appropriations are reduced, the appropriation be based on the average amounts spent by each institute in the last two fiscal years and account for medical inflation of 3.8 percent. Staff's recommended appropriations, which are listed in the above table, are consistent with the Department's proposed methodology. The recommendation reduces the appropriations by a total of \$557,674 General Fund, including reductions of \$454,168 for Fort Logan and \$103,506 for Pueblo.

→ STAFF-INITIATED: CHANGES RELATED TO HB 16-1408

RECOMMENDATION: Staff's recommendation includes three staff-initiated changes related to H.B. 16-1408.

- *Technical Adjustments.* Staff recommends maintaining the adjustments that were approved for FY 2016-17, with one exception. Staff recommends eliminating the one-time reduction of \$125,007 in the appropriation for Mental Health Services for Juvenile and Adult Offenders. The Department reduced allocations to community mental health centers from this line item to mitigate the impact of the error in H.B. 16-1408. Staff's recommendation restores this amount (for an appropriation totaling \$3,025,192).

- *Discretionary Adjustments.* Staff recommends increasing cash fund appropriations (from the MCTF and the Offender Mental Health Services Fund) by an additional \$2,439,030 to ensure that funding is sufficient to allow community mental health center staff in every region to provide case management and treatment services, wrap-around services, and medications (that are not covered by Medicaid) for juvenile and adult offenders who have mental health problems.
- *Statutory Changes.* Staff recommends the Committee consider introducing a bill to clarify the intent of H.B. 16-1408 as it relates to authorized uses of the MTCF.

ANALYSIS:

House Bill 16-1408

The Joint Budget Committee sponsored legislation last session (H.B. 16-1408) that establishes a new formula for the allocation of the annual payment received by the State as part of the Tobacco Master Settlement Agreement (Tobacco MSA). The new formula allocates all Tobacco MSA revenue by percentage shares, rather than the hybrid structure of fixed dollar amounts and capped percentage shares in multiple tiers. The formula increases annual allocations to most programs receiving funding under the current distribution, while eliminating dedicated funding for certain purposes in the Department of Human Services. The act makes the following appropriation changes in the Department related to funds from the Tobacco MSA revenues and the Marijuana Tax Cash Fund.

SUMMARY OF TOBACCO MASTER SETTLEMENT AGREEMENT DISTRIBUTION FORMULA APPROPRIATION CHANGES			
SECTION	PROGRAM	TOBACCO MASTER SETTLEMENT CASH FUNDS	MARIJUANA TAX CASH FUND
28	Mental Health Services for Juvenile and Adult Offenders	(\$3,025,192)	\$3,025,192
28	Mental Health Services for Youth (H.B. 99-1116)	(300,000)	300,000
28	Community Prevention Treatment - Alcohol and Drug Abuse	(756,298)	756,298
30	Tony Grampas Youth Services	(2,626,328)	2,626,328
33	Nurse Home Visitor Program	6,743,164	0
TOTAL		\$35,346	\$6,707,818

This staff recommendation concerns two of the above programs:

- “Mental Health Services for Juvenile and Adult Offenders” is a line item that supports the purchase of mental health services from community mental health centers (Centers) for juvenile and adult offenders who have mental health problems. Eleven of the 17 Centers have designed and implemented such programs (called "S.B. 07-097 programs" based on the authorizing legislation). These funds are used for staff that provide case management and treatment services, wrap-around services, and medications that are not covered by Medicaid. This line item was previously supported by tobacco MSA revenues that were annually transferred to the Offender Mental Health Services Fund. House Bill 16-1408 eliminated this transfer, so the Offender Mental Health Services Fund no longer has a revenue source. The act eliminated the FY 2016-17 appropriation from this fund for this line item (\$3,025,192) and substituted a direct appropriation from the Marijuana Tax Cash Fund.
- “Community Prevention and Treatment” is a line item that provides funding for the purchase of alcohol and drug abuse prevention and treatment services from managed service organizations and other community providers. This line item was previously supported by Tobacco MSA revenues that were annually transferred to the Alcohol and Drug Abuse Community Prevention

and Treatment Fund. House Bill 16-1408 repealed this fund, eliminated the FY 2016-17 appropriation from this fund for this line item (\$756,298), and substituted a direct appropriation from the Marijuana Tax Cash Fund.

Recommended Technical Adjustments to Correct Error in Appropriation Clause

Following the 2016 legislative session, Department staff notified JBC staff of a technical error in the appropriation clause in H.B. 16-1408. JBC staff worked with the Department to clarify the situation and identify a solution. The Committee recently approved a staff-initiated recommendation to amend the FY 2016-17 appropriation clause in H.B. 16-1408 to correct the errors, including:

- eliminating administrative appropriations totaling \$166,725 for which there is no longer a revenue source (including \$99,815 from the Offender Mental Health Services Fund and \$66,920 from the Alcohol and Drug Abuse Community Prevention and Treatment Fund);
- replacing these administrative appropriations with appropriations totaling \$166,735 from the Marijuana Tax Cash Fund (including \$150,715 for Personal Services and \$16,020 for Operating Expenses); and
- reducing the appropriation from the Marijuana Tax Cash Fund for Mental Health Services for Juvenile and Adult Offenders by \$125,007 to reflect lower anticipated expenditures.

These adjustments result in a net change of \$0 for administrative expenses, and a one-time reduction to the appropriation for Mental Health Services for Juvenile and Adult Offenders is based on information provided by the Department concerning amounts that had been awarded for FY 2016-17. For FY 2017-18, staff recommends maintaining the technical adjustments for administrative expenses and eliminating the one-time \$125,007 reduction for community mental health center (Center) allocations.

Recommended Discretionary Adjustments to Establish a Basis for the Annual Appropriation

Since the two programs described above were created in 2007, the annual appropriation has been determined based on the formulaic distribution of tobacco master settlement funds. As a consequence, the funding available has declined by about 27 percent for each program. Now that the General Assembly has elected to support these programs with the Marijuana Tax Cash Fund (MTCF), staff asked the Department for information about the actual need for these programs, particularly in terms of an overall strategy to address behavioral health needs of individual involved in the criminal justice system. Based on information provided by the Department, staff recommends increasing the appropriation for Mental Health Services for Juvenile and Adult Offenders.

Specifically, staff recommends increasing cash fund appropriations for this program by \$2,439,030 to ensure that funding is sufficient to allow Center staff in every region to provide case management and treatment services, wrap-around services, and medications that are not covered by Medicaid. The recommended increase includes:

- \$1,058,038 to restore to FY 2009-10 levels the amounts allocated to the 11 Centers that have been receiving allocations from this line item;
- \$1,350,000 to allocate funding to the six Centers (all rural) that do not currently receive any funding for this purpose⁴;

⁴ These six Centers include: Centennial (10 counties in northeast region); Center for Mental Health (Delta, Gunnison, Hinsdale, Montrose, Ouray, and San Miguel counties); San Luis Valley Behavioral Health Group (Alamosa, Conejos, Costilla, Mineral, Rio Grande, and Saguache counties); Southeast Health Group (Baca, Bent, Crowley, Kiowa, Otero,

- \$9,767 to restore a \$10,000 budget to make annual training available for Centers; and
- \$21,225 to restore funding for 1.5 FTE state level staff that were originally funded to administer this program.

Staff recommends that \$509,329 of this increase be appropriated from the balance available in the Offender Mental Health Services Fund, with the remainder (\$1,887,251) from the MTCF.

Staff understands that the Department has been able to maintain funding for 1.0 FTE Health Professional VI, but it does not have sufficient funding to support the 0.5 FTE Administrative Assistant III. Given the Department's actual fill rate for the FTE that are currently reflected for this line item appropriation, staff does not recommend adjusting the FTE to reflect an increase of 0.5 FTE.

Recommended legislation to clarify statutory authority related to the MTCF: House Bill 16-1408 clearly indicates the General Assembly intent to fund the following three behavioral health programs from the MCTF (rather than from tobacco master settlement funds):

- Mental Health Services for Juvenile and Adult Offenders;
- Mental Health Services for Youth (H.B. 99-1116); and
- Community Prevention Treatment (for alcohol and drug abuse).

However, staff is concerned that H.B. 16-1408 did not include a provision to modify the list of authorized purposes for appropriating money in the MTCF. Specifically, **staff recommends the Committee consider introducing legislation to make the following modifications to Section 39-28.8-501 (2)(b)(IV), C.R.S.:**

“Subject to the limitation in subsection (5) of this section, the general assembly may annually appropriate any money in the fund for any fiscal year following the fiscal year in which they were received by the state for the following purposes:

(A) To educate people about marijuana to prevent its illegal use or legal abuse;

(B) To provide services for adolescents and school-aged children in school settings or through community-based organizations;

(C) To treat and provide related services to people with any type of ~~substance use~~ BEHAVIORAL HEALTH disorder, ~~including those with co-occurring disorders,~~ or to evaluate the effectiveness and sufficiency of ~~substance use disorder~~ BEHAVIORAL HEALTH services;

(D) 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.;~~ SYSTEM;”

The above changes would clarify the legislative intent expressed through H.B. 16-1408 to utilize the MTCF to support services for both substance use and mental health disorders (referred to collectively as “behavioral health” disorders). It would also clarify that the General Assembly does not intend that every appropriation from the MTCF for the provision of behavioral health services

and Prowers counties); Axis Health Systems (Archuleta, Dolores, La Plata, Montezuma, and San Juan counties); and Solvista Health (Chaffee, Custer, Fremont, and Lake counties).

is required to be appropriated through the Correctional Treatment Cash Fund. This Fund, which originates in the Judicial Department budget, currently supports only substance use-related services for offenders (including those who have a co-occurring mental illness, but excluding those who only have a mental illness).

Staff also recommends repealing the Offender Mental Health Services Fund that is created in Section 27-66-104 (4)(a), C.R.S., effective July 1, 2018. This fund was created through S.B. 07-097 to receive allocations of tobacco master settlement funds. Rather than repealing the fund, H.B. 16-1408 maintained the fund, which now costs of “any money that the general assembly may appropriate to the fund for the purchase of mental health services for juvenile and adult offenders who have mental health problems and are involved in the criminal justice system”. Given that the General Assembly has elected to fund these services directly from the MTCF, this cash fund is no longer necessary and should be repealed. However, the Department reports that this fund had a balance of \$509,329 as of July 1, 2016. Staff recommends appropriating this amount for FY 2017-18, and repealing this fund at the end of FY 2017-18.

→ STAFF-INITIATED: MTCF ADJUSTMENT

RECOMMENDATION: Staff recommends changing the financing for an existing appropriation to reduce General Fund appropriations and to consistently fund line items that support behavioral health services for individuals with co-occurring mental health and substance use disorders. The recommendation would reduce annual General Fund appropriations by \$521,213, and increase cash fund expenditures from the Marijuana Tax Cash Fund (MTCF) by the same amount.

In FY 2013-14, the General Assembly included a new line item in the Long Bill to support a full continuum of behavioral health services to adolescents and adults in southern Colorado and the Arkansas Valley who have co-occurring mental health and substance use disorders. Staff understands 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. For FY 2016-17 this line item consists of a \$521,213 General Fund appropriation and a \$500,000 cash funds appropriation from the MTCF.

The Mental Health Institute at Pueblo operates an intensive treatment program, called the "Circle Program", which serves men and women who suffer from co-occurring mental health and substance use disorders. For several years this program has been supported by appropriations from the MTCF, as well as a small amount of Medicaid funding and other patient revenues. This use of money in the MTCF is clearly authorized under Section 39-28.8-501 (2)(b)(IV), C.R.S.:

“Subject to the limitation in subsection (5) of this section, the general assembly may annually appropriate any money in the fund for any fiscal year following the fiscal year in which they were received by the state for the following purposes:

...(C) To treat and provide related services to people with any type of substance use disorder, including those with co-occurring disorders, or to evaluate the effectiveness and sufficiency of substance use disorder services;”.

Last year, the Committee elected to refinance half of this appropriation for rural co-occurring disorder services to free up General Fund for another initiative designed to expand community capacity to provide inpatient psychiatric care for patients with co-occurring medical conditions. Staff's recommendation is intended to create more consistency in the Long Bill by financing both line items that support behavioral health services for individuals with co-occurring mental health and substance use disorders with MTCF. While this adjusting is not necessary, it does provide an opportunity for the Committee to reduce annual General Fund appropriations without reducing the services available for this population.

→ STAFF-INITIATED: MHI PROGRAM RELOCATION

RECOMMENDATION: Staff recommends appropriating a total of \$889,739 General Fund for FY 2017-18 to allow the Department to relocate two existing programs at the Colorado Mental Health Institute at Pueblo (CMHIP). These relocations would have several critical, positive, and timely impacts including:

- addressing multiple identified safety risks and improving the therapeutic environment for the existing adolescent behavioral treatment program, which should also allow CMHIP to operate this program closer to its capacity of 20 youth;
- improving the therapeutic environment for adults in the existing Circle program;
- increasing by 20 (from 12 to 32) the number of “transition” beds available to serve the long-term patients who have privileges to leave the CMHIP grounds for employment or to find community placement; and
- freeing up 20 existing adult beds in various existing units, allowing CMHIP to serve an additional 20 adults (either civil or forensic, depending on the greatest need).

The following table details the recommendation for FY 2017-18 and the funding that would be provided for ongoing expenses in FY 2018-19.

SUMMARY OF STAFF-INITIATED RECOMMENDATION: MENTAL HEALTH INSTITUTE PROGRAM RELOCATION			
DESCRIPTION	FY 2017-18	FY 2018-19	ANNUAL CHANGE
Executive Director's Office			
<i>General Administration</i>			
Health, Life, and Dental	\$63,418	\$118,909	\$55,491
Short-term Disability	498	1,196	698
S.B. 04-257 AED	13,118	31,482	18,365
S.B. 06-235 SAED	13,118	31,482	18,365
Shift Differential	16,033	38,478	22,445
Subtotal	106,185	221,547	115,363

SUMMARY OF STAFF-INITIATED RECOMMENDATION: MENTAL HEALTH INSTITUTE PROGRAM RELOCATION			
DESCRIPTION	FY 2017-18	FY 2018-19	ANNUAL CHANGE
Office of Operations			
<i>Administration</i>			
Personal Services			
Salary	38,640	92,736	54,096
PERA	3,922	9,413	5,491
Medicare	<u>560</u>	<u>1,345</u>	<u>784</u>
Subtotal	43,122	103,493	60,371
FTE	1.1	2.7	1.6
Operating Expenses (includes one-time expenses associated with program relocations)	370,469	26,292	(344,177)
Utilities	26,806	64,334	37,528
Subtotal	\$440,397	\$194,119	(246,278)
FTE	1.1	2.7	1.6
Office of Behavioral Health			
<i>Mental Health Institutes</i>			
<i>Mental Health Institute at Pueblo</i>			
Personal Services			
Salary	223,712	536,908	313,196
PERA	22,707	54,496	31,789
Medicare	<u>3,244</u>	<u>7,785</u>	<u>4,541</u>
Subtotal	249,663	599,189	349,527
FTE	4.3	10.2	5.9
Operating Expenses (includes uniforms and security equipment)	38,774	44,653	5,879
Pharmaceuticals	54,720	131,327	76,607
Subtotal	\$343,157	\$775,169	432,013
FTE	4.3	10.2	5.9
Total General Fund	\$889,739	\$1,190,836	\$301,098
FTE	5.4	12.9	7.5

The Department and the Governor's Office are aware of and support staff's recommendation if funds can be made available for this purpose.

ANALYSIS:

Why is funding for this proposal being recommended by staff?

During both the Staff Budget Briefing (see the issue brief starting on page 11) and the staff recommendations on Supplemental Budget Requests (see the recommendation that begins on page 3), staff has provided information to the Committee about a proposal to relocate existing programs at CMHIP to address safety concerns, improve programming, and increase the number of adolescents and adults who can be served at CMHIP. Staff acknowledges that this is discretionary, and does not need to be funded for FY 2017-18. However, in light of the broad consensus about the inadequacy of beds to serve individuals who require inpatient psychiatric care, staff wanted to provide the Committee with an opportunity to consider this proposal.

In addition, two of the groups that met over the 2016 legislative interim to discuss the involvement of individuals with behavioral health needs in the criminal justice system are recommending that legislation be introduced to remove jails and correctional facilities as a placement option for

individuals on an emergency mental health hold. One of these proposals would make this change effective January 1, 2018. To the extent that existing community-based beds are being used to serve individuals who would be better served at one of the mental health institutes, an increase in the number of CMHIP beds may free up these community-based beds to serve individuals who are placed on a mental health hold. Although the Department has submitted a capital construction request that would add 24 beds in the CMHIP high security forensic facility, these beds would not be operational until FY 2020-21 and these beds are designed to serve patients with high acuity and security needs.

What is the proposal?

The Governor included several “contingent” funding requests for FY 2016-17 that were intended to be considered if the General Fund revenue projections improved. As these items were not part of the Governor’s official budget request, they were not analyzed or presented to the JBC as part of the normal budget process. One of these contingent budget requests was titled, “Program Relocation for Improved Safety and Beds”. This request identified a FY 2016-17 cost of \$1,189,994 General Fund (and ongoing annual costs of \$1,224,208) to make several CMHIP facility changes.

First, the proposal would relocate the adolescent behavioral treatment program to the building that currently houses the Circle Program. This relocation that would address several security and therapeutic issues present in the current adolescent behavioral treatment unit, including:

- Eliminating the need for staff to carry keys, which creates an opportunity of risk to staff;
- Providing access to a gymnasium and ample outdoor recreational areas that do not pose escape risk; and
- Providing 20 single occupancy rooms (i.e., replacing the four double occupancy female rooms with eight single occupancy rooms).

The Department indicated that the size and layout of the current facility does not allow youth to be effectively separated, which creates an over-stimulating and dangerous environment for youth and staff. Programming is often interrupted due to the acuity of the unit, resulting in patients being sent to their rooms (lock down). In addition, there is very limited space for outdoor activity that does not present an escape risk. The acuity of the unit has shifted from predominately civil patients to forensic patients with high criminal risk and treatment needs, whose problematic behaviors tend to escalate upon admission. The Department indicates that incidents on the unit increased from 184 in FY 2009-10 to 351 in FY 2013-14 and 483 in FY 2014-15. Incidents include destructive and dangerous behaviors such as acts of self-harm, acts of aggression, assault, and property damage.

By addressing the above issues, the Department indicated that the proposal may allow for an increased number of adolescents to be served. The following table details the average daily population served in the adolescent program for the last seven years:

MENTAL HEALTH INSTITUTE CENSUS DATA: CMHIP ADOLESCENT BEHAVIORAL TREATMENT UNIT					
FISCAL YEAR	BED CAPACITY	AVERAGE DAILY POPULATION			PATIENT OCCUPANCY
		CIVIL	FORENSIC	TOTAL	
2009-10	20.0	6.0	4.4	10.4	52.0%
2010-11	20.0	6.8	5.4	12.2	61.0%
2011-12	20.0	8.0	3.5	11.5	57.5%
2012-13	20.0	7.3	2.9	10.2	51.0%
2013-14	20.0	4.9	7.1	12.0	60.0%
2014-15	20.0	2.0	8.4	10.4	52.0%
2015-16	20.0	2.2	7.2	9.4	47.0%
Average	20.0	5.3	5.6	10.9	54.4%
<i>Percent of total ADP</i>		<i>48.9%</i>	<i>51.1%</i>	<i>100.0%</i>	

As indicated in the above table, the proportion of adolescents who are served through this program and are involved in the juvenile justice system has increased since FY 2009-10. In addition, in the last seven years, this program has operated at capacity levels ranging from 47 percent to 61 percent. As these are the only beds that serve adolescents at both mental health institutes, it is critical that this unit operate as close to maximum capacity as possible and appropriate.

This program relocation would require the purchase of furnishings, minor security enhancements, and programming modifications. The program would require one 24/7 security post for the command center, and one registered nurse to staff the new, larger area. These changes should allow CMHIP to safely serve more adolescents.

Second, the proposal would relocate the Circle Program to the second floor of a building in a space that is currently used as an emergency shelter location. The Circle Program 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. The treatment space in the proposed location is more conducive to serving adults. This program relocation would require minor moving costs, and ongoing funding for housekeeping and maintenance expenses.

Third, the proposal would utilize the vacated building that currently houses the adolescent unit to expand by 20 (from 12 to 32) the number of “transition” beds available to serve the long-term patients who have privileges to leave the CMHIP grounds for employment or to find community placement. Increasing the number of transitional beds will allow CMHIP to move patients from various units to this new unit, thereby freeing up 20 inpatient beds that can be used to address the civil and forensic waitlists. This program relocation would require ongoing funding for utilities, maintenance, and housekeeping expenses. The program would require one registered nurse.

Staff's recommendation is based on updated figures provided by the Department based on revised assumptions related to staffing and patient occupancy dates. The Department indicates that this

project could be completed within seven months, which would mean that a year from now CMHIP should be able to serve up to 20 additional adults and up to 10 more adolescents.

➔ STAFF-INITIATED: FEDERAL FUNDS UPDATE

RECOMMENDATION: Staff recommends updating the amount of federal funds reflected in this section of the budget to more accurately reflect anticipated expenditures. Recent federal legislation (the “21st Century Cures Act”) includes significant changes related to behavioral health services, and it reauthorizes the federal Community Mental Health Services Block Grant and the Substance Abuse Prevention and Treatment Block Grant. The recommendations are based on information provided by the Department in response to a staff inquiry.

The following table provides recent expenditures of federal funds, the current amounts reflected in the Long Bill, and the requested and recommended amounts for FY 2017-18. The total amount of federal funds recommended for FY 2017-18 is \$5,379,941 higher than the request. As indicated in the table notes, most of the new funding will be used to support early intervention, prevention, and recovery-based services. However, a portion of the funding will be used to support additional staff (7.0 FTE) in the areas of quality assurance and standards, contracts and finance, and data and evaluation.

RECOMMENDED ADJUSTMENTS TO FEDERAL FUNDS AMOUNTS FOR FY 2017-18

SUBSECTION AND LINE ITEM	FY 2014-15 ACTUAL	FY 2015-16 ACTUAL	FY 2016-17 APPROPRIATION	FY 2017-18 REQUEST	FY 2017-18 RECOMMEND.	VARIANCE OF FY 2017-18 REQUEST	NOTES
Personal Services	\$2,002,648	\$2,300,975	\$2,348,514	\$2,354,862	\$2,950,411	\$595,549	Additional federal funds for personal services funds for establishing a compliance unit and additional staffing to comply with Office of Management and Budget (OMB) - Code of Federal Regulation - (2 CFR) Part 200.
Operating Expenses	210,098	237,407	217,711	217,711	217,711	0	
Federal Programs and Grants ^{1/}	8,271	213	21,000	21,000	21,000	0	
Indirect Cost Assessment	0	0	267,581	267,581	267,581	0	
<i>(B) Mental Health Community Programs</i>						0	
Services for Indigent Mentally Ill Clients	6,215,186	5,639,046	6,435,392	6,435,392	8,239,577	1,804,185	This will include new procurements and contracts for early intervention and recovery based services.
<i>(C) Substance Use Treatment and Prevention</i>						0	
Treatment and Detoxification Contracts	16,408,291	16,364,232	16,729,815	16,729,815	18,826,584	2,096,769	This will include new procurements for intervention and recovery based services.
Case Management for Chronic Detoxification Clients	409,135	362,333	366,883	366,883	366,883	0	
Prevention Contracts	5,278,772	4,151,301	5,447,578	5,447,578	6,331,016	883,438	This will include new procurements and contracts for primary substance abuse prevention services.
Federal Grants	3,220,975	2,522,079	3,287,818	3,287,818	3,287,818	0	
Balance of Substance Abuse Block Grant Programs	40,924	0	100,000	100,000	100,000	0	
<i>(E) Mental Health Institutes</i>						0	
Educational Programs	36,095	33,671	0	0	0	0	
Total	\$33,830,395	\$31,611,257	\$35,222,292	\$35,228,640	\$40,608,581	\$5,379,941	

1/ 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.

→ STAFF-INITIATED: LONG BILL REORGANIZATION

RECOMMENDATION: Staff recommends several changes to the format of the Long Bill for FY 2017-18. The recommended changes are the largely the result of discussions between the Department and the community providers (represented by the Colorado Behavioral Healthcare Council). The Department is aware of and supports this recommendation. The proposed changes achieve the following objectives:

- Consolidate line items where appropriate to reduce unnecessary administrative burdens on Department staff and community providers;
- Provide flexibility to the Department and community providers to respond to changing treatment needs of behavioral health clients throughout the fiscal year;
- Reduce fiscal year-end reversions of state funding that result from administrative barriers that narrowly define specific types of services and specific populations rather than lack of individuals in need of services; and
- Ensure that line item and subsection titles clearly convey the nature of the appropriations.

On the next several pages, staff has provided a side-by-side comparison of the current Long Bill format and the recommended format. Table 1 provides an overview of the proposed changes, including every line item in this division. Table 2 details the proposed transfers of funding among existing and proposed line items to demonstrate that the proposal has no net impact on any fund sources. This table only includes affected line items, and the "Current Format" dollar amounts are based on the staff recommendations in this packet. The remainder of this document is organized based on the existing Long Bill format to assist the reader in comparing the recommended appropriations to recent expenditures, the current appropriation, and the requested appropriations.

TABLE 1: OVERVIEW OF PROPOSED LONG BILL REORGANIZATION

EXISTING STRUCTURE	PROPOSED STRUCTURE	NOTES
(8) BEHAVIORAL HEALTH SERVICES	(8) OFFICE OF BEHAVIORAL HEALTH	Refer to name that has been used by Department and other stakeholders for several years; make it easier to refer to Long Bill section in appropriation clauses and other documents
(A) Community Behavioral Health Administration	(A) Community Behavioral Health Administration	
Personal Services	Personal Services	
Operating Expenses	Operating Expenses	
Federal Programs and Grants	Federal Programs and Grants	
Indirect Cost Assessment		Separate proposal to move to new subsection, below
(B) Mental Health Community Programs	(B) Community-based Mental Health Services	Differentiate subsection title from the first line item in this subsection
Services for Indigent Mentally Ill Clients	Mental Health Community Programs	Consolidate funding that is distributed to community mental health centers to provide mental health services that are not covered by Medicaid or other insurance to individuals with low incomes. Include funding for medications and staff who serve as a liaison with local schools (first three line items in this section, as well as \$187,754 of the funding in the fourth line item that is for medications). Transfer \$8,144,453 from this line that is designed to create community capacity to serve individuals who otherwise would require hospitalization at a mental health institute to the consolidated "Assertive Community Treatment Programs and Other Alternatives to the Mental Health Institutes" line item below.
Medications for Indigent Mentally Ill Clients		included above
School-based Mental Health Services		included above
Assertive Community Treatment Programs	Assertive Community Treatment Programs and Other Alternatives to the Mental Health Institutes	Consolidate funding for the two line items that are distributed to community mental health centers to provide community-based services for individuals who would otherwise require hospitalization at one of the mental health institutes ("Assertive Community Treatment Programs" and "Alternatives to Inpatient Hospitalization at a Mental Health Institute"). Include \$8,144,453 that is currently in the "Services for Indigent Mentally Ill Clients" line item that is designed to create community capacity to serve individuals who otherwise would require hospitalization at a mental health institute. Transfer \$187,754 that is currently used for medications to the above line item.
Alternatives to Inpatient Hospitalization at a Mental Health Institute		included above

TABLE 1: OVERVIEW OF PROPOSED LONG BILL REORGANIZATION

EXISTING STRUCTURE	PROPOSED STRUCTURE	NOTES
Mental Health Services for Juvenile and Adult Offenders	Mental Health Services for Juvenile and Adult Offenders	
Mental Health Treatment Services for Youth (H.B. 99-1116)	Mental Health Treatment Services for Youth (H.B. 99-1116)	
Mental Health First Aid	Mental Health First Aid	
(C) Substance Use Treatment and Prevention	(C) Substance Use Treatment and Prevention Services	Add "Services", similar to above section
<i>(1) Treatment Services</i>		Eliminate sub-subsection titles and associated subtotals, and instead include a single subtotal for all line items in this section
Treatment and Detoxification Contracts	Treatment and Detoxification Programs	Consolidate funding that is distributed to managed service organizations (MSOs), including "Treatment and Detoxification Contracts" and "Case Management for Chronic Detoxification Clients"; move the reappropriated funds amount which originates from the Correctional Treatment Cash Fund to the consolidated line item below for "Offender Services".
Case Management for Chronic Detoxification Clients		included above
	Increasing Access to Effective Substance Use Disorder Services (S.B. 16-202)	Create new line item to differentiate appropriation that is distributed to managed service organizations on July 1 each fiscal year (per statutory direction) rather than on a cost reimbursement basis. This allows readers to track the appropriation for this purpose until the Department and MSOs report back on the success of this initiative in November 2020.
Short-term Intensive Residential Remediation and Treatment (STIRRT)	Offender Services	Create a consolidated line item that includes STIRRT funding as well as other funding that is used to provide substance use services for offenders (\$864,688 from the Treatment and Detoxification Contracts line item, which originates from the Correctional Treatment Cash Fund).
High Risk Pregnant Women Program	High Risk Pregnant Women Program	
<i>(2) Prevention and Intervention</i>		Eliminate sub-subsection titles and associated subtotals, and instead include a single subtotal for all line items in this section
Prevention Contracts	Prevention Programs	Rename, but Department would like to maintain this as a separate line item for federal reporting purposes
Persistent Drunk Driver Programs		included below
Law Enforcement Assistance Fund Contracts		included below

TABLE 1: OVERVIEW OF PROPOSED LONG BILL REORGANIZATION

EXISTING STRUCTURE	PROPOSED STRUCTURE	NOTES
<i>(3) Other Programs</i>		Eliminate sub-subsection titles and associated subtotals, and instead include a single subtotal for all line items in this section
Federal Grants		included below
Balance of Substance Abuse Block Grant Programs		included below
Community Prevention and Treatment	Community Prevention and Treatment Programs	Consolidate federal and state funds that support prevention and treatment services, including: Persistent Drunk Driver Programs; Law Enforcement Assistance Fund Contracts, Federal Grants, Balance of Substance Abuse Block Grant Programs, and Rural Substance Abuse Prevention and Treatment.
Rural Substance Abuse Prevention and Treatment		included above
Gambling Addiction Counseling Services	Gambling Addiction Counseling Services	
(D) Integrated Behavioral Health Services	(D) Integrated Behavioral Health Services	
Crisis Response System - Walk-in, Stabilization, Mobile, Residential, and Respite Services	Behavioral Health Crisis Response System Services	Eliminate hyphen, use statutory description of system, and rather than listing service components per statute, use more general (and shorter) description to differentiate from other two contracts
Crisis Response System - Telephone Hotline	Behavioral Health Crisis Response System Telephone Hotline	Eliminate hyphen
Crisis Response System - Marketing	Behavioral Health Crisis Response System Public Information Campaign	Eliminate hyphen and use statutory language for nature of service
Community Transition Services	Community Transition Services	
	Criminal Justice Diversion Programs	New proposed line item per BA7
Jail-based Behavioral Health Services	Jail-based Behavioral Health Services	
Rural Co-occurring Disorder Services	Rural Co-occurring Disorder Services	
(E) Mental Health Institutes	(E) Mental Health Institutes	
<i>(1) Mental Health Institute - Ft. Logan</i>	<i>(1) Mental Health Institute - Ft. Logan</i>	
Personal Services	Personal Services	
Contract Medical Services	Contract Medical Services	
Operating Expenses	Operating Expenses	
Capital Outlay	Capital Outlay	

TABLE 1: OVERVIEW OF PROPOSED LONG BILL REORGANIZATION

EXISTING STRUCTURE	PROPOSED STRUCTURE	NOTES
Pharmaceuticals	Pharmaceuticals	
<i>(2) Mental Health Institute - Pueblo</i>	<i>(2) Mental Health Institute - Pueblo</i>	
Personal Services	Personal Services	
Contract Medical Services	Contract Medical Services	
Operating Expenses	Operating Expenses	
Capital Outlay	Capital Outlay	
Pharmaceuticals	Pharmaceuticals	
Educational Programs	Educational Programs	
Jail-based Competency Restoration Program	Jail-based Competency Program	
Circle Program	Circle Program	
	(F) Indirect Cost Assessment	Separate proposal to move to new subsection from above

TABLE 2: PROPOSED TRANSFERS BETWEEN LINE ITEMS (BASED ON RECOMMENDED AMOUNTS; AFFECTED LINES ONLY)

EXISTING STRUCTURE	PROPOSED STRUCTURE	CURRENT FORMAT	CURRENT FORMAT	NEW FORMAT
(8) BEHAVIORAL HEALTH SERVICES	(8) OFFICE OF BEHAVIORAL HEALTH			
(B) Mental Health Community Programs	(B) Community-based Mental Health Services			
Services for Indigent Mentally Ill Clients	Mental Health Community Programs	<u>\$39,940,938</u>	<u>(\$1,865,996)</u>	<u>\$38,074,942</u>
	GF	31,539,452	(1,865,996)	29,673,456
	RF	161,909		161,909
	FF	8,239,577		8,239,577
Medications for Indigent Mentally Ill Clients (GF)		1,554,437	(1,554,437)	0
School-based Mental Health Services (GF)		1,213,254	(1,213,254)	0

TABLE 2: PROPOSED TRANSFERS BETWEEN LINE ITEMS (BASED ON RECOMMENDED AMOUNTS; AFFECTED LINES ONLY)

EXISTING STRUCTURE	PROPOSED STRUCTURE	CURRENT FORMAT	CURRENT FORMAT	NEW FORMAT
Assertive Community Treatment Programs	Assertive Community Treatment Programs and Other Alternatives to the Mental Health Institutes	<u>5,489,587</u>	<u>7,971,174</u>	<u>13,460,761</u>
	GF	4,803,563	7,971,174	12,774,737
	CF	686,024		686,024
Alternatives to Inpatient Hospitalization at a Mental Health Institute (GF)		3,337,487	(3,337,487)	0
(C) Substance Use Treatment and Prevention	(C) Substance Use Treatment and Prevention Services			
<i>(1) Treatment Services</i>				
Treatment and Detoxification Contracts	Treatment and Detoxification Programs	<u>32,345,430</u>	<u>(495,224)</u>	<u>31,850,206</u>
GF		12,242,908	2,581	12,245,489
CF		411,250		411,250
RF		864,688	(864,688)	0
FF		18,826,584	366,883	19,193,467
Case Management for Chronic Detoxification Clients		<u>369,464</u>	<u>(369,464)</u>	<u>0</u>
GF		2,581	(2,581)	0
FF		366,883	(366,883)	0
Short-term Intensive Residential Remediation and Treatment (STIRRT)	Offender Services	<u>3,769,435</u>	<u>864,688</u>	<u>4,634,123</u>
GF		3,146,489		3,146,489
RF		622,946	864,688	1,487,634
<i>(2) Prevention and Intervention</i>				
Persistent Drunk Driver Programs (CF)		2,035,823	(2,035,823)	0
Law Enforcement Assistance Fund Contracts (CF)		255,000	(255,000)	0
<i>(3) Other Programs</i>				
Federal Grants (FF)		3,287,818	(3,287,818)	0

TABLE 2: PROPOSED TRANSFERS BETWEEN LINE ITEMS (BASED ON RECOMMENDED AMOUNTS; AFFECTED LINES ONLY)

EXISTING STRUCTURE	PROPOSED STRUCTURE	CURRENT FORMAT	CURRENT FORMAT	NEW FORMAT
Balance of Substance Abuse Block Grant Programs		<u>109,848</u>	<u>(109,848)</u>	<u>0</u>
GF		9,848	(9,848)	0
FF		100,000	(100,000)	0
Community Prevention and Treatment	Community Prevention and Treatment Programs	<u>756,298</u>	<u>5,838,489</u>	<u>6,594,787</u>
GF		0	9,848	9,848
CF		756,298	2,440,823	3,197,121
FF		0	3,387,818	3,387,818
Rural Substance Abuse Prevention and Treatment (CF)	Rural Substance Abuse Prevention and Treatment	150,000	(150,000)	0
TOTALS		<u>\$94,452,910</u>	<u>\$0</u>	<u>\$94,452,910</u>
GF		57,850,019	0	57,850,019
CF		4,294,395	0	4,294,395
RF		1,487,634	0	1,487,634
FF		30,820,862	0	30,820,862

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.

STAFFING SUMMARY				
COMMUNITY BEHAVIORAL HEALTH ADMINISTRATION	15-16 ACTUAL	16-17 APPROPRIATION	17-18 REQUEST	17-18 RECOMM.
Administrative Support	9.2	9.5	9.5	10.0
Child, Adolescent and Family Programs	0.9	0.6	0.6	0.6
Community Treatment & Recovery Programs	6.0	4.5	4.5	4.5
Contracts and Finance	8.5	10.0	10.0	12.0
Data and Evaluation	6.6	8.8	8.8	9.8
Management	2.6	3.4	3.4	3.4
Prevention Programs	2.1	3.1	3.1	3.1
Quality Assurance and Standards (includes pending item: NP6 - HCPF R7)	18.0	20.5	21.4	24.9
Trauma Informed and Integrated Care	1.2	2.2	2.2	2.2
TOTAL	55.1	62.6	63.5	70.5

1/ Recommended positions supported by the Marijuana Tax Cash Fund include: 1.0 FTE in Community Treatment and Recovery Programs and 0.5 FTE in Administrative Support to administer Mental Health Services for Juvenile and Adult Offenders (called S.B. 07-097 Programs); .0.7 FTE in Contracts and Finance to administer Community Prevention and Treatment Programs; and 1.0 FTE in Contracts and Finance for implementation of S.B. 16-202.

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]; Section 39-28.8-501 (2)(b)(IV)(C) and (D), C.R.S. [Authorization for use of Marijuana Tax Cash Fund for substance-use related services and for behavioral health services for persons involved in the criminal justice system]

REQUEST: The Department requests \$5,194,870 total funds (including \$1,724,823 General Fund) and 63.5 FTE. The request includes an increase of \$13,506 total funds to reflect the allocation of salary increases awarded in FY 2016-17. The request is also impacted by a non-prioritized request (NP6 HCPF oversight of departmental resources). The above table and the staff recommendation reflect this request, but the recommendation is pending at this time. This request will be presented to the Committee by Eric Kurtz on March 8, 2017.

RECOMMENDATION: As detailed in the following table, **staff recommends appropriating \$5,962,359 total funds** (including \$1,724,823 General Fund) **and reflecting 70.5 FTE**. Staff's recommendation is \$767,489 and 7.0 FTE higher than the request due to the staff-initiated changes related to federal funds and H.B. 16-1408. Staff's corresponding recommendation for the Department of Health Care Policy and Financing (HCPF) reflects the applicable 50/50 federal Medicaid match rate for SFY 2017-18.

BEHAVIORAL HEALTH SERVICES, COMMUNITY BEHAVIORAL HEALTH ADMINISTRATION, PERSONAL SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION						
HB 16-1405 (Long Bill)	\$5,204,927	\$1,659,469	\$318,090	\$878,854	\$2,348,514	61.6
Other legislation	65,715	0	65,715	0	0	1.0
S.B. 17-163 (supplemental bill)	0	0	0	0	0	0.0
TOTAL	\$5,270,642	\$1,659,469	\$383,805	\$878,854	\$2,348,514	62.6
FY 2017-18 RECOMMENDED APPROPRIATION						
FY 2016-17 Appropriation	\$5,270,642	\$1,659,469	\$383,805	\$878,854	\$2,348,514	62.6
Non-prioritized request items	61,437	61,437	0	0	0	0.9
Staff-initiated federal funds update	595,549	0	0	0	595,549	7.0
Staff-initiated changes related to HB 16-1408	21,225	0	21,225	0	0	0.0
Annualize prior year budget actions	13,506	3,917	945	2,296	6,348	0.0
TOTAL	\$5,962,359	\$1,724,823	\$405,975	\$881,150	\$2,950,411	70.5
INCREASE/(DECREASE)	\$691,717	\$65,354	\$22,170	\$2,296	\$601,897	7.9
Percentage Change	13.1%	3.9%	5.8%	0.3%	25.6%	12.6%
FY 2017-18 EXECUTIVE REQUEST	\$5,194,870	\$1,724,823	\$234,035	\$881,150	\$2,354,862	63.5
Request Above/(Below) Recommendation	(\$767,489)	\$0	(\$171,940)	\$0	(\$595,549)	(7.0)

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]; Section 39-28.8-501 (2)(b)(IV)(C) and (D), C.R.S. [Authorization for use of Marijuana Tax Cash

Fund for substance-use related services and for behavioral health services for persons involved in the criminal justice system]

REQUEST: The Department requests \$283,613 total funds (including \$28,182 General Fund). The request is impacted by a non-prioritized request (NP6 HCPF oversight of departmental resources). The staff recommendation reflects this request, but the recommendation is pending at this time. This request will be presented to the Committee by Eric Kurtz on March 8, 2017.

RECOMMENDATION: As detailed in the following table, **staff recommends appropriating \$299,633 total funds** (including \$28,182 General Fund). Staff's recommendation is \$16,020 cash funds higher than the request due to the staff-initiated changes related to H.B. 16-1408. Staff's corresponding recommendation for the HCPF reflects the applicable 50/50 federal Medicaid match rate for SFY 2017-18.

BEHAVIORAL HEALTH SERVICES, COMMUNITY BEHAVIORAL HEALTH ADMINISTRATION, OPERATING EXPENSES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION						
HB 16-1405 (Long Bill)	\$293,030	\$22,529	\$36,524	\$16,266	\$217,711	0.0
Other legislation	5,653	0	5,653	0	0	0.0
S.B. 17-163 (supplemental bill)	0	0	0	0	0	0.0
TOTAL	\$298,683	\$22,529	\$42,177	\$16,266	\$217,711	0.0
FY 2017-18 RECOMMENDED APPROPRIATION						
FY 2016-17 Appropriation	\$298,683	\$22,529	\$42,177	\$16,266	\$217,711	0.0
Non-prioritized request items	5,653	5,653	0	0	0	0.0
Staff-initiated changes related to HB 16-1408	0	0	0	0	0	0.0
Annualize prior year legislation	(4,703)	0	(4,703)	0	0	0.0
TOTAL	\$299,633	\$28,182	\$37,474	\$16,266	\$217,711	0.0
INCREASE/(DECREASE)	\$950	\$5,653	(\$4,703)	\$0	\$0	0.0
Percentage Change	0.3%	25.1%	(11.2%)	0.0%	0.0%	n/a
FY 2017-18 EXECUTIVE REQUEST	\$283,613	\$28,182	\$21,454	\$16,266	\$217,711	0.0
Request Above/(Below) Recommendation	(\$16,020)	\$0	(\$16,020)	\$0	\$0	0.0

FEDERAL PROGRAMS AND GRANTS

This line item reflects a variety of federal discretionary mental health and substance use prevention and treatment grants that are administered by the Office of Behavioral Health.

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 \$21,000.

RECOMMENDATION: **Staff recommends approving the request.**

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 recommendation is pending** Committee action on outstanding centrally appropriated line items. Staff requests permission to adjust the line based on final Committee action on centrally appropriated line items. In addition, staff anticipates that this line item will be moved to a separate subsection (F) at the end of this division, titled “Indirect Cost Assessments”.

(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 the Marijuana Tax Cash 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.

In theory, 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. However, 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 2016-17, the appropriation included the following fund sources:

- General Fund (\$31,539,452);
- the federal CMHS block grant (\$5,661,632);
- 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, this line item includes a total of \$7,686,470 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]. 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 2016-17].
- Funding to for a community mental health center in western Colorado to provide behavioral health services for individuals who seek care from the emergency department of a regional medical center and who are diagnosed with physical health conditions that may be exacerbated by co-occurring mental health conditions [\$500,000 General Fund].
- Funding to reimburse licensed community mental health *clinics* for the provision of mental health services to medically indigent clients [\$41,608 General Fund].

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 \$38,136,753 (including \$31,539,452 General Fund), which is the same as the existing FY 2016-17 appropriation.

RECOMMENDATION: **Staff recommends appropriating \$39,940,938 (including \$31,539,452 General Fund).** Staff's recommendation is \$1,804,185 higher than the request due to the staff-initiated changes related to federal funds. See the discussion of the JBC Staff-initiated recommendation concerning "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 \$1,554,437 General Fund, which is the same as the existing FY 2016-17 appropriation.

RECOMMENDATION: **Staff recommends approving the request.**

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 \$1,213,254 General Fund, which is the same as the existing FY 2016-17 appropriation.

RECOMMENDATION: **Staff recommends approving the request.**

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 2016-17, this line item is supported by General Fund (\$4,803,563) and local matching funds (\$686,024).

STATUTORY AUTHORITY: Section 27-66-101, et seq., C.R.S. [Community mental health services]

REQUEST: The Department requests \$5,489,587 total funds (including \$4,803,563 General Fund), which is the same as the existing FY 2016-17 appropriation.

RECOMMENDATION: **Staff recommends approving the request.**

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 \$3,337,487 General Fund, which is the same as the existing FY 2016-17 appropriation.

RECOMMENDATION: **Staff recommends approving the request.**

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 that provide case management and treatment services, wrap-around services, medications, and treatment services that are not covered by Medicaid. This line item was previously supported by Tobacco Master Settlement Agreement revenues that were annually transferred to the Offender Mental Health Services Fund. House Bill 16-1408 eliminated this transfer, so the Offender Mental Health Services Fund no longer has a revenue source. The act eliminated the FY 2016-17 appropriation from this fund for this line item (\$3,025,192) and substituted a direct appropriation from the Marijuana Tax Cash Fund.

STATUTORY AUTHORITY: Section 27-66-104 (4), C.R.S. [Offender mental health services fund]; H.B. 16-1408 authorized the use of Marijuana Tax Cash Fund for this program but did not include conforming amendments to Section 39-28.8-501 (2)(b)(IV)(C), C.R.S. [Authorization for use of Marijuana Tax Cash Fund]

REQUEST: The Department requests \$3,025,192 cash funds from the Marijuana Tax Cash Fund for FY 2017-18, which is the same as the initial appropriation for FY 2016-17.

RECOMMENDATION: **Staff recommends appropriating \$5,442,997 cash funds from the Marijuana Tax Cash Fund.** For further explanation of the staff recommendation, see Staff-initiated recommendation concerning "Changes related to HB 16-1408" at the beginning of this document.

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 cash funds from the Marijuana Tax Cash Fund (MTCF), 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 cash funds in this line item cover any costs that are not covered by private insurance, SSI, Medicaid, or parent payments. Cash funds 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 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 \$1,078,847 total funds (including \$655,223 General Fund and \$300,000 cash funds from the MTCF), which is the same as the existing FY 2016-17 appropriation.

RECOMMENDATION: **Staff recommends approving the request.** Staff's corresponding recommendation for the HCPF reflects the applicable 50/50 federal Medicaid match rate for SFY 2017-18.

MENTAL HEALTH FIRST AID

This line item provides state funding to support Mental Health First Aid (MHFA)⁵, 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 \$210,000 General Fund, which is the same as the existing FY 2016-17 appropriation.

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.

⁵ 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, the Marijuana Tax Cash 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 2016-17, the appropriation included the following fund sources:

- the federal Substance Abuse Prevention and Treatment Block Grant (\$16,729,815);
- General Fund (\$12,242,908);
- reappropriated funds transferred from the Judicial Department from moneys available in the Correctional Treatment Cash Fund (\$1,064,688);
- the Persistent Drunk Driver Cash Fund (\$265,000); and
- the Adolescent Substance Abuse Prevention Fund and Treatment Fund (\$94,905).

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 \$30,502,316 total funds (including \$12,242,908 General Fund) , which is the same as the existing FY 2016-17 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: **Staff recommends appropriating \$32,345,430 (including \$12,242,908 General Fund).** Staff's recommendation differs from the request in three ways:

- The recommendation includes \$2,096,769 more federal funds than requested due to the staff-initiated changes related to federal funds.
- The recommendation includes \$200,000 less in reappropriated funds as it reflects the recommended shift of funding among three programs in this division as proposed by the Correctional Treatment Board (and approved by the Committee on February 16). See the discussion of the JBC Staff-initiated recommendation concerning “Federal funds update” at the beginning of this packet for more information. For more information about the proposed allocation of money in the Correctional Treatment Cash Fund, see the JBC Staff Figure Setting recommendations for the Judicial Branch, dated February 16, 2017 (discussion starts on page 20).
- Staff recommends appropriating \$53,655 less than the amount requested from the Adolescent Substance Abuse Prevention Cash Fund (\$41,250). The Fund balance as of July 1, 2016 was \$158,934; however, the Department is projecting the Fund balance to decrease to \$22,797 by the end of the current fiscal year. The Department’s projections indicate that if its requests for this and another line item are approved, the Fund balance will be insufficient to cover expenses. Based on actual revenues of \$55,403 in FY 2015-16, staff recommends appropriating a total of \$55,000 from this fund, including \$41,250 (75 percent) for this line item and \$13,750 (25 percent) for the Prevention Contracts line item. The allocation between the two line items is based on the Department’s current practice. **Staff requests permission, however, to adjust these appropriations if appropriate based on any corrected/updated projections provided by the Department.**

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 2016-17, 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 \$369,464 total funds (including \$2,581 General Fund) , which is the same as the existing FY 2016-17 appropriation.

RECOMMENDATION: **Staff recommends approving the request.**

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 2016-17, 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 (\$522,946).

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 \$3,669,435 total funds (including \$3,146,489 General Fund and \$522,946 reappropriated funds), which is the same as the existing FY 2016-17 appropriation.

RECOMMENDATION: **Staff recommends appropriating \$3,769,435 total funds (including \$3,146,489 General Fund and \$622,946 reappropriated funds).** Staff's recommendation includes \$100,000 more in reappropriated funds as it reflects the recommended shift of funding among three programs in this division as proposed by the Correctional Treatment Board (and approved by the Committee on February 16). For more information about the proposed allocation of money in the Correctional Treatment Cash Fund, see the JBC Staff Figure Setting recommendations for the Judicial Branch, dated February 16, 2017 (discussion starts on page 20).

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 \$1,600,000 reappropriated funds, which is the same as the existing FY 2016-17 appropriation.

RECOMMENDATION: **Staff recommends approving the request.** While actual program expenditures continue to fall well below the appropriation, staff recommends maintaining the existing appropriation. For more information, see the staff recommendation for the corresponding line item appropriation to the Department of Health Care Policy and Financing. Staff's corresponding recommendation for the HCPF reflects the applicable 50/50 federal Medicaid match rate for SFY 2017-18.

(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 2016-17, the appropriation included the following fund sources:

- the federal Substance Abuse Prevention and Treatment Block Grant (\$5,447,578);
- General Fund (\$35,076);
- the Adolescent Substance Abuse Prevention and Treatment Fund (\$96,635); and
- the Cigarette, Tobacco Product, and Nicotine Product Use by Minors Prevention Fund (\$10,000).

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 \$5,524,289 total funds (including \$35,076 General Fund). The request includes a decrease of \$65,000 cash funds spending authority from the Adolescent Substance Abuse Prevention Cash Fund. This fund consists of fines related to underage possession or consumption of alcohol. Money in the Fund is to be used for adolescent substance use 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 three years (from FY 2014-15 through FY 2016-17) to reduce the fund balance by \$195,000. The Department indicated that it would use the additional money to expand services (temporarily) beyond the existing service areas. The Department's request for FY 2017-18 eliminates this additional spending authority, as expected.

RECOMMENDATION: Staff recommends appropriating \$6,389,842 (including: \$35,076 General Fund). Staff's recommendation differs from the request in two ways:

- The recommendation includes \$883,438 more federal funds than requested due to the staff-initiated changes related to federal funds. See the discussion of the JBC Staff-initiated recommendation concerning "Federal funds update" at the beginning of this packet for more information.
- Staff recommends appropriating \$17,885 less than the amount requested from the Adolescent Substance Abuse Prevention Cash Fund (\$13,750). The Fund balance as of July 1, 2016 was \$158,934; however, the Department is projecting the Fund balance to decrease to \$22,797 by the end of the current fiscal year. The Department's projections indicate that if the request is approved, the Fund balance will be insufficient to cover expenses. Based on actual revenues of \$55,403 in FY 2015-16, staff recommends appropriating a total of \$55,000 from this fund, including \$41,250 (75 percent) for the Treatment and Detoxification line item and \$13,750 (25 percent) for this line item. The allocation between the two line items is based on the Department's current practice. **Staff requests permission, however, to adjust these appropriations if appropriate based on any corrected/updated projections provided by the Department.**

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 \$1,670,823 cash funds from the Persistent Drunk Driver Cash Fund. The request includes a decrease of \$365,000 cash funds spending authority, as anticipated. 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).

RECOMMENDATION: **Staff recommends maintaining the existing appropriation of \$2,035,823 cash funds.** The Fund balance as of July 1, 2016 was \$1,319,390; the Department is projecting the Fund balance to decrease to \$793,239 by the end of the current fiscal year and to \$632,088 by the end of FY 2017-18 if the request is approved. As this would result in a fund balance that is more than \$324,000 above the statutory reserve balance limit, staff recommends maintaining the existing appropriation. In 2014, 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 money 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 website with greater distribution of printed materials and statewide advertising.

Staff requests permission, however, to adjust this appropriation if appropriate based on any corrected/updated projections provided by the Department.

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 \$255,000 cash funds, which is the same as the existing FY 2016-17 appropriation.

RECOMMENDATION: **Staff recommends approving the request.**

(3) OTHER PROGRAMS

INCREASING ACCESS TO EFFECTIVE SUBSTANCE USE DISORDER SERVICES [NEW LINE ITEM]

This is a new line item that results from S.B. 16-202. This act requires each of the State's designated regional managed service organizations (MSOs) to assess the sufficiency of substance use disorder services in its geographic region, and to prepare a community action plan to address the most critical service gaps. The act provides for an annual appropriation from the Marijuana Tax Cash Fund (MTCF) to support the implementation of these plans, and this line item serves that purpose.

STATUTORY AUTHORITY: Section 27-80-107.5, C.R.S. [Increasing access to effective substance use disorder services]; 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 \$5,828,335 cash funds from the Marijuana Tax Cash Fund (MTCF). This amount reflects an increase of \$4,703, which is based on the elimination of funding that was provided for capital outlay expenses for the 1.0 FTE that was funded through S.B. 16-202.

RECOMMENDATION: **Staff recommends appropriating \$6,000,000 cash funds from the MTCF.** Given that this line item is discretionary in nature, staff recommends appropriating a rounded dollar amount and discontinuing the link between this line item appropriation, the appropriations for program administration and for the evaluation of the effectiveness of intensive residential treatment of substance use disorders. The requested amount is based on the amount allocated for S.B. 16-202 in FY 2016-17, less the amounts that were appropriated for administration and evaluation purposes. Staff has included in Appendix B a summary of S.B. 16-202, along with a summary of the recently released report concerning the results of MSOs' community needs assessments. Each MSO is

currently preparing a community action plan that describes how it will use its allocation from this appropriation to address the most critical service gaps in its region (these plans are due by March 1, 2017).

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 \$3,287,818 federal funds, which is the same as the existing FY 2016-17 appropriation.

RECOMMENDATION: **Staff recommends approving the request.**

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 \$109,848 (including \$9,848 General Fund and \$100,000 federal funds), which is the same as the existing FY 2016-17 appropriation.

RECOMMENDATION: **Staff recommends approving the request.**

COMMUNITY PREVENTION AND TREATMENT

This line item provides funding for the purchase of community services for the prevention and treatment of alcohol and drug abuse. This line item was previously supported by Tobacco Master Settlement Agreement revenues that were annually transferred to the Alcohol and Drug Abuse Community Prevention and Treatment Fund. House Bill 16-1408 repealed this fund, eliminated the FY 2016-17 appropriation from this fund for this line item (\$756,298), and substituted a direct appropriation from the Marijuana Tax Cash Fund.

STATUTORY AUTHORITY: Section 27-80-106, C.R.S. [Alcohol and drug abuse – purchase of prevention and treatment services]; 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 \$765,298 cash funds from the Marijuana Tax Cash Fund, which is the same as the existing FY 2016-17 appropriation.

RECOMMENDATION: **Staff recommends approving the request.**

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.
- 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.

STATUTORY AUTHORITY: Section 27-80-117, C.R.S.

REQUEST: The Department requests \$175,000 cash funds from the Rural Alcohol and Substance Abuse Cash Fund, which is the same as the existing FY 2016-17 appropriation.

RECOMMENDATION: **Staff recommends appropriating \$150,000 cash funds.** The FY 2016-17 appropriation was projected to result in a fund balance of approximately \$20,000 by the end of FY 2017-18. 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 rectified this issue for FY 2015-16.] The Department is projecting the Fund balance to decline to \$54,907 by the end of the current fiscal year; the projections indicate that if the request is approved, the Fund balance will be insufficient to cover expenses in FY 2017-18.

Staff recommends reducing the appropriation to \$150,000 for FY 2017-18, which would result in a positive fund balance of approximately \$12,000 at the end of FY 2017-18. **Staff requests permission, however, to adjust these appropriations if appropriate based on any corrected/updated projections provided by the Department.**

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 \$100,000 cash funds from the Gambling Addiction Account within the Local Government Limited Gaming Impact Fund, which is the same as the existing FY 2016-17 appropriation.

RECOMMENDATION: **Staff recommends approving the request.**

(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 \$26,532,728 total funds (including \$22,952,410 General Fund and \$3,580,318 cash funds from the Marijuana Tax Cash Fund (MCTF)). The request is impacted by BA6 (Implementation of Mental Health Hold Task Force recommendations).

RECOMMENDATION: **Staff recommends maintaining the current appropriation of \$22,952,410 General Fund.** For more information about the request and recommendation for BA6, 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 \$2,995,915 General Fund. The request is impacted by R8 (Crisis services system enhancements).

RECOMMENDATION: **Staff recommends approving the request.** Staff's recommendation includes the \$400,000 increase requested through R8, which is discussed at the beginning of this packet.

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: 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 \$900,000 General Fund. The request is impacted by R8 (Crisis services system enhancements).

RECOMMENDATION: **Staff recommends maintaining an appropriation of \$600,000 General Fund.** Staff's recommendation excludes the \$300,000 increase requested through R8, which is discussed at the beginning of this packet.

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 agencies⁶ 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: sex offender risk assessments; care manager (such as additional staffing at a nursing home); guardianship services; payeeship services to assist a client with financial management; individualized peer mentoring; home modifications; temporary rental assistance; and other individualized supportive services to assist the client in transitioning to the community.

In the last two fiscal years, a total of 276 clients have been transitioned to the community as a result of the funding provided in this line item (114 in FY 2014-15 and 162 in FY 2015-16). In FY 2015-16, \$853,187 of the appropriation was spent to support BHI staff.

STATUTORY AUTHORITY: Section 27-66-101, et seq., C.R.S. [Community mental health services]

REQUEST: The Department requests \$4,247,901 General Fund. The request is impacted by R8 (Crisis services system enhancements).

RECOMMENDATION: **Staff recommends approving the request.** Staff's recommendation includes the continuation of the \$900,000 reduction that was approved for FY 2016-17 and is requested to continue through R8, which is discussed at the beginning of this packet.

CRIMINAL JUSTICE DIVERSION PROGRAMS

This line item would be added to the FY 2017-18 Long Bill if the Committee approves all or a portion of BA7 (Diversion from the criminal justice system). This line item would support community-based initiatives to divert individuals with behavioral health problems from the criminal justice system, along with related administrative costs.

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 \$6,028,037 cash funds from the Marijuana Tax Cash Fund and 2.3 FTE through BA7 (Diversion from the criminal justice system).

RECOMMENDATION: **Staff recommends that the Committee:**

- **Appropriate \$2,557,942 from the Marijuana Tax Cash Fund in the FY 2017-18 Long Bill for the LEAD pilot programs and the associated evaluation and administrative expenses (including 1.3 FTE); and**

⁶ 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.

- **consider establishing a \$3,500,000 placeholder within its overall proposed appropriations from the MTCF for FY 2017-18 for one or more bills that seek to implement other recommendations of the Colorado Commission on Criminal and Juvenile Justice (CCJJ) related to behavioral health services.**

For more information, see the narrative concerning BA7 at the beginning of this packet.

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.

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 \$5,083,522 reappropriated funds from the CTCF, which is the same as the existing FY 2016-17 appropriation.

RECOMMENDATION: **Staff recommends appropriating \$5,183,522 reappropriated funds.** Staff's recommendation includes \$100,000 more in reappropriated funds as it reflects the recommended shift of funding among three programs in this division as proposed by the Correctional Treatment Board (and approved by the Committee on February 16). For more information about the proposed allocation of money in the Correctional Treatment Cash Fund, see the JBC Staff Figure Setting recommendations for the Judicial Branch, dated February 16, 2017 (discussion starts on page 20).

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. The 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. The 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 Points, 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 funding that is provided through this line item is used to fund services for clients with co-occurring disorders in all of CTP's programs; these programs serve both civil clients and those who are involved in the criminal justice system.

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. Staff understands that Medicaid only covers the cost of outpatient treatment, so this line item covers the additional costs of room and board, treatment costs that are not covered by Medicaid, and wraparound services that ensure a client's successful transition to outpatient treatment.

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] ; 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 \$1,021,213 total funds (including \$521,213 General Fund and \$500,000 cash funds from the Marijuana Tax Cash Fund (MTCF), which is the same as the existing FY 2016-17 appropriation.

RECOMMENDATION: **Staff recommends appropriating \$1,021,213 cash funds from the MTCF.** Staff's recommendation is \$2,096,769 higher than the request due to the staff-initiated changes related to federal funds. See the discussion of the JBC Staff-initiated recommendation concerning "Refinance rural co-occurring disorder services" update at the beginning of this packet for more information.

(E) MENTAL HEALTH INSTITUTES

The Department administers and operates two mental health institutes that provide inpatient hospitalization for up to 543 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:

- Individuals with pending criminal charges who require evaluations of competency to stand trial and services to restore competency;
- Individuals who have been found not guilty by reason of insanity; and
- Adults and adolescents who are referred for admission by community mental health centers, local hospitals, or the Department's Division of Youth Corrections.

The resources for the first two populations are referred to as "forensic" beds, and the resources for the third population are referred to as "civil" beds.

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.

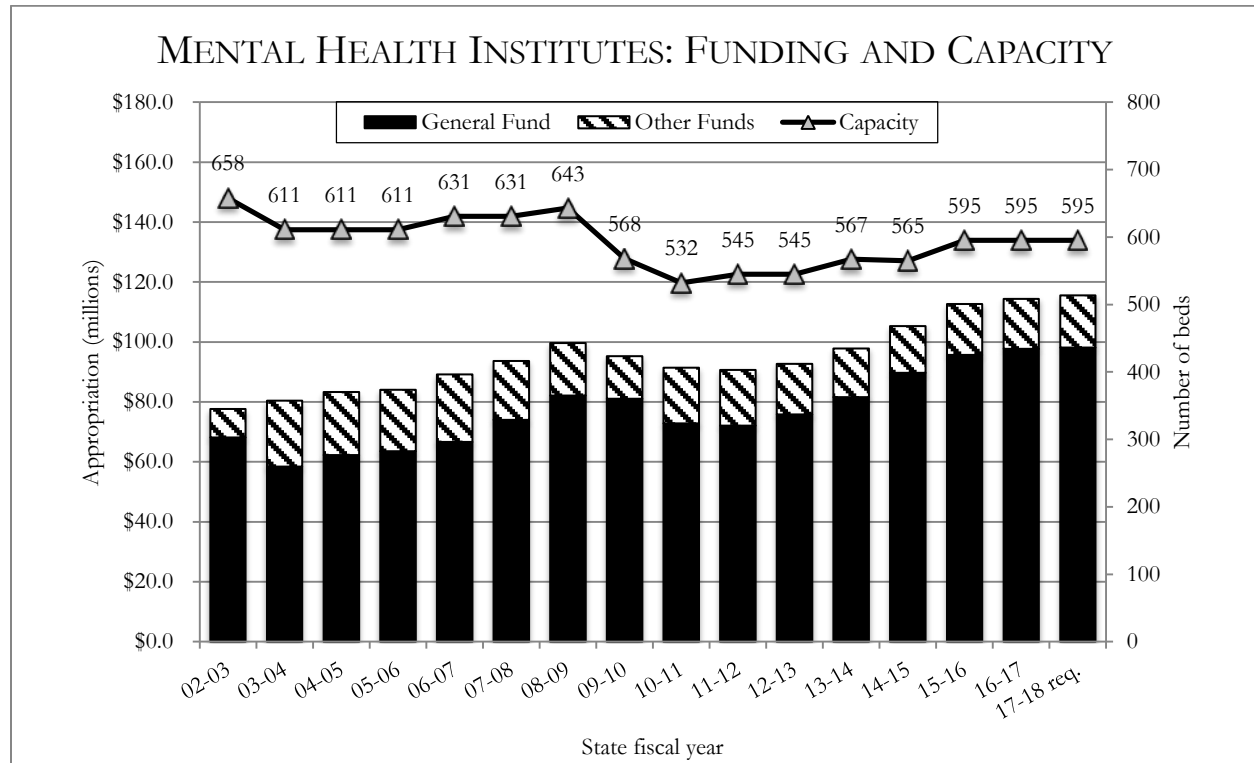
The institutes are thus primarily supported by General Fund appropriations. Other sources of revenue include: patient revenues (including federal Medicare funds and Medicaid funds transferred from the Department of Health Care Policy and Financing), funds transferred from the Department of Corrections (DOC) for food services provided to DOC facilities on the Pueblo campus, funds transferred from the Department of Education to support educational services for youth, and marijuana tax revenues that support the Circle Program in Pueblo. Funding for the institutes is affected by capacity, personnel costs, and operational costs (including medication expenses and the cost of purchasing medical services from local hospitals and medical providers). The chart on the next page depicts recent changes in the institutes' funding and bed capacity; capacity figures reflect both civil and forensic beds.

The total capacity of the institutes declined during each of the last two economic downturns. The most recent closures approved by the General Assembly include:

- closure of the medical/surgical unit at Pueblo in FY 2009-10;
- closure of the children's, adolescent, and geriatric treatment divisions at Fort Logan in FY 2009-10; and
- closure of the therapeutic residential childcare facility treatment division at Fort Logan in FY 2010-11.

In addition, in late FY 2014-15, the Department modified an existing unit to treat patients who had previously been transferred to the DOC. This decreased the number of beds in Pueblo by two.

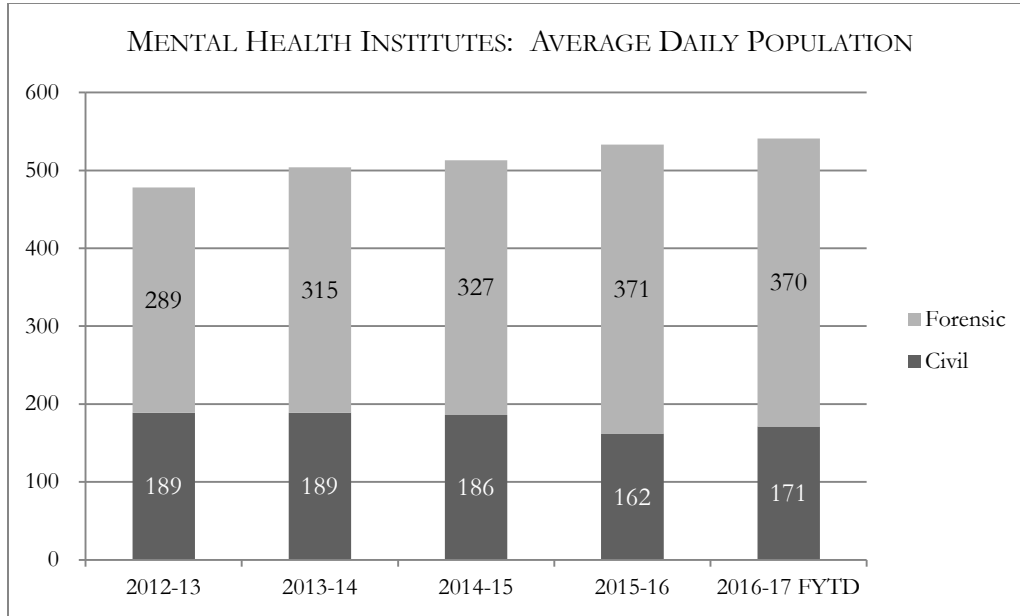
The General Assembly has also approved requests to increase capacity in recent years to address the increasing demand for forensic beds. In FY 2013-14, the General Assembly provided funding for the Department to contract with a vendor to operate a 22-bed *jail-based* program for individuals requiring competency evaluations or restoration services. The General Assembly added funding in FY 2015-16 to expand this program by 30 beds. This program is called the Restoring Individuals Safely and Effectively or "RISE" Program, and is currently operated by Correct Care, LLC, within the Arapahoe County Detention Facility in Centennial. The following chart includes the funding and capacity for the RISE Program.



NOTE: Appropriation data excludes funding for centrally appropriated employee benefits such as health insurance.

The above chart reflects the total bed capacity for the mental health institutes and the RISE Program. However, based on the age, gender, acuity, and needs of patients, the institutes do not operate at full capacity. The following chart depicts the average daily population of civil and forensic patients at the mental health institutes since FY 2012-13. Over the last four fiscal years, the institutes

have been operating below 100 percent capacity, with rates ranging from 87.7 percent in FY 2012-13 to 91.7 percent in FY 2015-16.



Staff understands that the institutes' capacity is intended to serve up to 238 civil patients (94 at Ft. Logan and 238 at Pueblo), and 305 forensic patients. However, as indicated in the above chart, the number of forensic patients exceeds the designated capacity, and thus squeezes out civil patients who could otherwise receive treatment at the institutes. The following table provides fiscal-year-to-date on the census for both institutes and the RISE Program.

MENTAL HEALTH INSTITUTE CENSUS DATA: FY 2016-17 (AS OF 2/7/17)					
LOCATION	BED CAPACITY	AVERAGE DAILY POPULATION			PATIENT OCCUPANCY
		CIVIL	FORENSIC	TOTAL	
Pueblo	449	82	321	403	89.8%
Fort Logan	94	89	1	90	95.7%
RISE Program	52	0	48	48	92.3%
Total	595	171	370	541	90.9%
<i>Percent of total ADP</i>		<i>31.6%</i>	<i>68.4%</i>	<i>100.0%</i>	

Finally, the following three tables, provided by the Department, detail the FY 2015-16 capacity, average daily population, and cost per patient-day for each program within each institute as well as for the RISE Program. The average daily cost varies significantly by unit; in FY 2015-16 the average cost per patient-day ranged from \$307.50 (\$112,237 for 365 days) for the RISE Program to \$2,152.51 (\$785,666 for 365 days) for the "E2 D Wing" at CMHIP; this is the unit that was created in 2015 to treat patients who had previously been transferred to the Department of Corrections.

FY 2015-16 CMHIP Cost/Capacity/Census by Division and Program		Billing	Billing	Cost Report	Average Daily Population (ADP) as of 6/30/2016				
Division	Program	Cost Category	Rate/Day	Average Cost/Day	Bed Capacity	Civil ADP	Forensic ADP	Total	Patient Occupancy
Admissions	A67 - Adult 67 Program	Adult	\$687.00	\$749.77	32		27	27	84%
Admissions	C2 - Womens Program	Forensic	\$676.00	\$753.31	24	2	22	24	100%
Admissions	E1 - STAT Program CMS Certified	Forensic	\$676.00	\$961.96	8	1	6	7	88%
Admissions	E1 - STAT Program CMS non-Certified	Forensic	\$676.00	\$961.96	16		14	14	88%
Admissions	E2EF - EF Wings	Forensic	\$676.00	\$927.72	16		11	11	69%
Cognitive-Behavioral	ABTU-Adolescent Behavioral Treatment Unit	Adolescent	\$1,232.00	\$1,675.89	20	1	10	11	55%
Cognitive-Behavioral	ACBU - Advanced Cognitive Behavioral Unit Intermediate Security	Forensic	\$676.00	\$674.30	24	1	24	25	104%
Cognitive-Behavioral	ADVCOT - Advanced Cottage	Forensic	\$676.00	\$537.08	12		12	12	100%
Cognitive-Behavioral	BTUC - Behavioral Treatment Unit CMS Certified	Forensic	\$676.00	\$870.12	8	1	7	8	100%
Cognitive-Behavioral	BTUN - Behavioral Treatment Unit CMS non-Certified	Forensic	\$676.00	\$870.12	8	5	3	8	100%
Cognitive-Behavioral	Circle - Adult Circle Dual Diagnosis Program	Forensic	\$687.00	\$497.43	20	10	3	13	65%
Cognitive-Behavioral	E2DW - E2 D Wing	Forensic	\$676.00	\$2,152.51	6	4	1	5	83%
Cognitive-Behavioral	REACH - Recognizing Emotions Acceptance Care Hope	Forensic	\$676.00	\$540.07	24	5	19	24	100%
PsychoSocial	CORE - Continuum of Recovery Program	Adult	\$687.00	\$629.16	32	5	24	29	91%
PsychoSocial	CRU - Community Reintegration Unit Minimum Security	Forensic	\$676.00	\$617.95	39	1	32	33	85%
PsychoSocial	GW01 - Geriatric 1 Program	Geriatric	\$635.00	\$848.77	20	10	10	20	100%
PsychoSocial	GW07 - Geriatric 7 Program	Geriatric	\$635.00	\$691.80	20	6	14	20	100%
PsychoSocial	SLP - Social Learning Program	Forensic	\$676.00	\$645.88	24	11	12	23	96%
PsychoSocial	STAR - Strategies to Accomplish Recovery	Forensic	\$676.00	\$598.77	24	8	15	23	96%
Restoration	C1 - Assessment - Stabilization	Forensic	\$676.00	\$714.38	24	4	20	24	100%
Restoration	J1 - Medium Security Restoration Program	Forensic	\$676.00	\$617.40	24		24	24	100%
Restoration	L1 -Medium Security Recovery Program	Forensic	\$676.00	\$600.65	24		24	24	100%

FY 2015-16 CMHIFL Cost/Capacity/Census by Division and Program		Billing	Billing	Cost Report	Average Daily Population (ADP) as of 6/30/2016				
Division	Program	Cost Category	Rate/Day	Average Cost/Day	Bed Capacity	Civil ADP	Forensic ADP	Total	Patient Occupancy
Adult Civil	Team 1	Adult	\$868.00	\$880.49	25	22		22	88%
Adult Civil	Team 2	Adult	\$868.00	\$1,007.12	24	23		23	96%
Adult Civil	Team 3	Adult	\$868.00	\$931.78	25	23		23	92%
Adult Civil	Team 5	Adult	\$868.00	\$973.54	20	19	1	20	100%

FY 2015-16 RISE Cost/Capacity/Census by Division and Program		Billing	Billing	Cost Report	Average Daily Population (ADP) as of 6/30/2016				
Division	Program	Cost Category	Rate/Day	Average Cost/Day	Bed Capacity	Civil ADP	Forensic ADP	Total	Patient Occupancy
RISE	RISE	Contract	\$307.50	N/A	38	0	36	36	95%

(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.

STAFFING SUMMARY				
COLORADO MENTAL HEALTH INSTITUTE-FORT LOGAN, PERSONAL SERVICES	15-16 ACTUAL	16-17 APPROPRIATION	17-18 REQUEST	17-18 RECOMM.
Administrative/Program Support Staff	19.2	23.4	23.4	23.4
Information Management	4.6	5.0	5.0	5.0
Management and Administration	11.8	11.5	11.5	11.5
Nursing	62.1	55.8	55.8	55.8
Nutrition	17.3	18.0	18.0	18.0
Patient Medical Services (e.g., lab, dental, pharmacy, x-ray, etc.)	6.2	6.8	6.8	6.8
Patient Support Services (e.g., medical records, admissions, patient rights, chaplain, etc.)	17.6	12.0	12.0	12.0

STAFFING SUMMARY				
COLORADO MENTAL HEALTH INSTITUTE-FORT LOGAN, PERSONAL SERVICES	15-16 ACTUAL	16-17 APPROPRIATION	17-18 REQUEST	17-18 RECOMM.
Psychology	6.4	4.6	4.6	4.6
Safety and Security	10.5	11.5	11.5	11.5
Social Work (e.g., including Mental Health Clinicians)	67.5	61.0	64.0	64.0
Therapy (Vocational, Rehabilitation, Occupational)	7.7	9.0	9.0	9.0
Total	230.9	218.6	221.6	221.6

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 \$19.1 million total funds (including \$17.4 million General Fund) and 221.6 FTE. The request includes an increase of \$19,984 General Fund to reflect the allocation of salary increases awarded in FY 2016-17, and it reflects the elimination of \$189,000 General Fund that was provided in FY 2016-17 for BA10 (MHI electronic health record system).

RECOMMENDATION: **Staff recommends approving the request.** Both R14 and BA3 are discussed at the beginning of this packet.

BEHAVIORAL HEALTH SERVICES, MENTAL HEALTH INSTITUTES, PERSONAL SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION						
HB 16-1405 (Long Bill)	\$19,131,795	\$17,260,460	\$1,845,937	\$25,398	\$0	218.6
S.B. 17-163 (supplemental bill)	0	264,535	(266,633)	2,098	0	0.0
TOTAL	\$19,131,795	\$17,524,995	\$1,579,304	\$27,496	\$0	218.6
FY 2017-18 RECOMMENDED APPROPRIATION						
FY 2016-17 Appropriation	\$19,131,795	\$17,524,995	\$1,579,304	\$27,496	\$0	218.6
R14 Substance use disorder treatment at the mental health institutes	172,114	0	172,114	0	0	3.0
BA3 Mental health institute revenue adjustment	0	0	0	0	0	0.0
Annualize prior year budget actions	(169,016)	(169,016)	0	0	0	0.0
TOTAL	\$19,134,893	\$17,355,979	\$1,751,418	\$27,496	\$0	221.6
INCREASE/(DECREASE)	\$3,098	(\$169,016)	\$172,114	\$0	\$0	3.0
Percentage Change	0.0%	(1.0%)	10.9%	0.0%	n/a	1.4%
FY 2017-18 EXECUTIVE REQUEST	\$19,134,893	\$17,355,979	\$1,751,418	\$27,496	\$0	221.6
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	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, which is the same amount appropriated for FY 2015-16 and FY 2016-17.

RECOMMENDATION: **Staff recommends appropriating \$815,297 General Fund.** For more detail about why staff's recommendation is \$454,168 lower than the request, see the JBC Staff-initiated recommendation concerning "MHI contract medical services adjustment" at the beginning of this packet.

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]

REQUEST: The Department requests \$1,408,080 total funds (including \$1,239,507 General Fund).

RECOMMENDATION: As detailed in the following table, **staff recommends appropriating \$1,379,280 total funds (including \$1,210,707 General Fund).** Staff's recommendation is \$28,800 General Fund lower than the request, due to a duplication between R10 and R16 (Mental health institute capital outlay).

BEHAVIORAL HEALTH SERVICES, MENTAL HEALTH INSTITUTES, OPERATING EXPENSES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION						
HB 16-1405 (Long Bill)	\$1,066,278	\$902,046	\$136,753	\$27,479	\$0	0.0
S.B. 17-163 (supplemental bill)	0	14,743	(14,860)	117	0	0.0
TOTAL	\$1,066,278	\$916,789	\$121,893	\$27,596	\$0	0.0
FY 2017-18 RECOMMENDED APPROPRIATION						
FY 2016-17 Appropriation	\$1,066,278	\$916,789	\$121,893	\$27,596	\$0	0.0
R10 Mental health institute security enhancements	293,918	293,918	0	0	0	0.0
R14 Substance use disorder treatment at the mental health institutes	19,084	0	19,084	0	0	0.0

BEHAVIORAL HEALTH SERVICES, MENTAL HEALTH INSTITUTES, OPERATING EXPENSES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
BA3 Mental health institute revenue adjustment	0	0	0	0	0	0.0
TOTAL	\$1,379,280	\$1,210,707	\$140,977	\$27,596	\$0	0.0
INCREASE/(DECREASE)	\$313,002	\$293,918	\$19,084	\$0	\$0	0.0
Percentage Change	29.4%	32.1%	15.7%	0.0%	n/a	n/a
FY 2017-18 EXECUTIVE REQUEST	\$1,408,080	\$1,239,507	\$140,977	\$27,596	\$0	0.0
Request Above/(Below) Recommendation	\$28,800	\$28,800	\$0	\$0	\$0	0.0

CAPITAL OUTLAY

This line item provides funding for the replacement of equipment and furnishings and minor facility renovations.

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 \$112,916 General Fund.

RECOMMENDATION: **Staff recommends approving the request**, which includes the \$92,102 General Fund increase requested through R16 (Mental health institute capital outlay).

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 total funds (including \$1,227,846 General Fund), which is the same as the existing FY 2016-17 appropriation.

RECOMMENDATION: **Staff recommends approving the request.**

(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.

STAFFING SUMMARY				
COLORADO MENTAL HEALTH INSTITUTE-PUEBLO, PERSONAL SERVICES	15-16 ACTUAL	16-17 APPROPRIATION	17-18 REQUEST	17-18 RECOMM.
Administrative/Program Support Staff	68.8	54.5	54.6	54.6
Education	9.8	10.3	10.3	10.3
Information Management	9.0	12.5	12.7	12.7
Management and Administration	36.4	31.4	31.4	31.4
Nursing	412.6	427.6	427.6	430.0
Nutrition	84.3	80.9	80.9	80.9
Patient Medical Services (e.g., lab, dental, pharmacy, x-ray, etc.)	27.9	29.3	29.3	29.3
Patient Support Services (e.g., medical records, admissions, patient rights, chaplain, etc.)	60.8	55.0	55.0	55.0
Psychology	43.6	42.9	43.0	43.0
Safety and Security	96.9	102.3	102.6	104.5
Social Work (e.g., including Mental Health Clinicians)	120.1	83.7	88.7	88.7
Therapy (Vocational, Rehabilitation, Occupational)	45.4	55.1	55.1	55.1
Total	1,015.6	985.4	991.1	995.4

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 total funds (including \$60.5 million General Fund) and 991.1 FTE. The request includes an increase of \$163,543 General Fund to reflect the allocation of salary increases awarded in FY 2016-17, and it reflects a decrease of \$545,916 General Fund and an increase of 0.7 FTE to reflect the out-year impact of two budget actions and two bills.

RECOMMENDATION: As detailed in the following table, **staff recommends appropriating \$70.5 million total funds (including \$60.8 million General Fund) and 995.4 FTE.** Staff's recommendation includes \$249,663 more General Fund and 4.3 additional FTE compared to the request due to a staff-initiated recommendation concerning "MHI program relocation". For more information, this recommendation is discussed at the beginning of this packet.

BEHAVIORAL HEALTH SERVICES, MENTAL HEALTH INSTITUTES, PERSONAL SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION						
HB 16-1405 (Long Bill)	\$70,237,997	\$60,828,956	\$2,658,908	\$6,750,133	\$0	983.2
Other legislation	110,264	478,264	0	(368,000)	0	2.2
S.B. 17-163 (supplemental bill)	756	(388,192)	248,624	140,324	0	0.0
TOTAL	\$70,349,017	\$60,919,028	\$2,907,532	\$6,522,457	\$0	985.4
FY 2017-18 RECOMMENDED APPROPRIATION						
FY 2016-17 Appropriation	\$70,349,017	\$60,919,028	\$2,907,532	\$6,522,457	\$0	985.4
R14 Substance use disorder treatment at the mental health institutes	282,853	0	282,853	0	0	5.0
Staff-initiated MHI program relocation	249,663	249,663	0	0	0	4.3
Annualize prior year legislation	26,655	26,655	0	0	0	0.6
BA3 Mental health institute revenue adjustment	1	0	0	1	0	0.0
Non-prioritized request items	0	0	0	0	0	0.0
Annualize prior year budget actions	(409,028)	(409,028)	0	0	0	0.1
TOTAL	\$70,499,161	\$60,786,318	\$3,190,385	\$6,522,458	\$0	995.4
INCREASE/(DECREASE)	\$150,144	(\$132,710)	\$282,853	\$1	\$0	10.0
Percentage Change	0.2%	(0.2%)	9.7%	0.0%	n/a	1.0%
FY 2017-18 EXECUTIVE REQUEST	\$70,249,498	\$60,536,655	\$3,190,385	\$6,522,458	\$0	991.1
Request Above/(Below) Recommendation	(\$249,663)	(\$249,663)	\$0	\$0	\$0	(4.3)

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 and FY 2016-17.

RECOMMENDATION: **Staff recommends appropriating \$3,485,919 General Fund.** For more information about why the recommendation is \$103,506 lower than the request, see the JBC Staff-initiated recommendation concerning “MHI contract medical services adjustment” at the beginning of this packet.

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.

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 \$5,830,520 total funds (including \$3,101,265 General Fund).

RECOMMENDATION: As detailed in the following table, **staff recommends appropriating \$5.9 million (including \$3.1 million General Fund)**. Staff's recommendation includes \$38,774 more General Fund than the request due to a staff-initiated recommendation concerning "MHI program relocation". For more information, this recommendation is discussed at the beginning of this packet.

BEHAVIORAL HEALTH SERVICES, MENTAL HEALTH INSTITUTES, OPERATING EXPENSES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION						
HB 16-1405 (Long Bill)	\$5,411,246	\$2,843,931	\$324,685	\$2,242,630	\$0	0.0
S.B. 17-163 (supplemental bill)	35,868	(29,907)	19,154	46,621	0	0.0
Other legislation	16,293	16,293	0	0	0	0.0
TOTAL	\$5,463,407	\$2,830,317	\$343,839	\$2,289,251	\$0	0.0
FY 2017-18 RECOMMENDED APPROPRIATION						
FY 2016-17 Appropriation	\$5,463,407	\$2,830,317	\$343,839	\$2,289,251	\$0	0.0
R10 Mental health institute security enhancements	286,589	286,589	0	0	0	0.0
R14 Substance use disorder treatment at the mental health institutes	82,935	0	82,935	0	0	0.0
Staff-initiated MHI program relocation	38,774	38,774	0	0	0	0.0
Non-prioritized request items	13,231	0	0	13,231	0	0.0
Annualize prior year legislation	(10,938)	(10,938)	0	0	0	0.0
Annualize prior year budget actions	(4,703)	(4,703)	0	0	0	0.0
BA3 Mental health institute revenue adjustment	(1)	0	0	(1)	0	0.0
TOTAL	\$5,869,294	\$3,140,039	\$426,774	\$2,302,481	\$0	0.0
INCREASE/(DECREASE)	\$405,887	\$309,722	\$82,935	\$13,230	\$0	0.0
Percentage Change	7.4%	10.9%	24.1%	0.6%	n/a	n/a

BEHAVIORAL HEALTH SERVICES, MENTAL HEALTH INSTITUTES, OPERATING EXPENSES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 EXECUTIVE REQUEST	\$5,830,520	\$3,101,265	\$426,774	\$2,302,481	\$0	0.0
Request Above/(Below)						
Recommendation	(\$38,774)	(\$38,774)	\$0	\$0	\$0	0.0

CAPITAL OUTLAY

This line item provides funding for the replacement of equipment and furnishings and minor facility renovations.

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 \$324,068 General Fund. The request includes an increase of \$258,275 General Fund requested through R16 (Mental health institute capital outlay).

RECOMMENDATION: **Staff recommends approving the request.** The recommendation reflects the elimination of a one-time appropriation of \$145,725 General Fund to make physical improvements to the adolescent behavioral treatment unit at the Colorado Mental Health Institute at Pueblo (S2 CMHIP Adolescent unit window improvements).

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 \$3,783,395 total funds (including \$3,144,797 General Fund) , which is the same as the existing FY 2016-17 appropriation

RECOMMENDATION: **Staff recommends appropriating a total of \$3,838,115 total funds (including \$3,199,517 General Fund).** Staff's recommendation includes \$54,720 more General Fund than the request due to a staff-initiated recommendation concerning "MHI program relocation". For more information, this recommendation is discussed at the beginning of this packet

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 \$169,261 total funds (including \$52,720 General Fund) and 2.7 FTE, which is the same as the existing FY 2016-17 appropriation.

RECOMMENDATION: **Staff recommends approving the request.**

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.

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]

REQUEST: The Department requests \$6,072,647 General Fund and 3.0 FTE. The request includes an increase of \$8,705 General Fund to reflect the allocation of salary increases awarded in FY 2016-17.

RECOMMENDATION: **Staff recommends approving the request.**

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.

STAFFING SUMMARY				
COLORADO MENTAL HEALTH INSTITUTE-PUEBLO, CIRCLE PROGRAM	15-16 ACTUAL	16-17 APPROPRIATION	17-18 REQUEST	17-18 RECOMM.
Administrative/Program Support Staff	1.0	1.0	1.0	1.0
Management and Administration	0.3	0.8	0.8	0.8
Nursing	11.3	12.0	12.0	12.0
Patient Support Services (e.g., medical records, admissions, etc.)	1.1	1.5	1.5	1.5
Psychology	1.0	1.3	1.3	1.3
Safety and Security	0.0	0.0	0.0	0.0
Social Work (e.g., including Mental Health Clinicians)	4.1	3.5	3.5	3.5
Therapy (Vocational, Rehabilitation, Occupational)	1.1	1.3	1.3	1.3
Total	19.9	21.4	21.3	21.3

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 \$2,213,224 total funds (including \$2,195,903 cash funds from the Marijuana Tax Cash Fund) and 21.3 FTE. The request includes:

- an increase of \$2,136 General Fund to reflect the allocation of salary increases awarded in FY 2016-17;
- an increase of \$134,448 for a 2.5 percent across-the-board salary increase in FY 2017-18; and
- a decrease of \$1,361 based on revised rates for the employer contribution for health, life, and dental insurance.

RECOMMENDATION: Staff recommends approving the request, except that the amount (if any) included for FY 2017-18 salary increases is pending the Committee's common policy.

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. It was anticipated that the selected vendor would:

- Evaluate the IMD⁷ exclusion as it pertains to the Circle Program and the associated financial implications;

⁷ 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

- 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
- 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]

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.

LONG BILL FOOTNOTES AND REQUESTS FOR INFORMATION

LONG BILL FOOTNOTES

Staff recommends **CONTINUING** the following footnote:

- 48 Department of Department of Human Services, Behavioral Health Services, Mental Health Community Programs, Services for Indigent Mentally Ill Clients -- It is the intent of the General Assembly that \$500,000 of this appropriation be allocated to a community mental health center in western Colorado for the purpose of providing behavioral health services for individuals who seek care from the emergency department of a regional medical center and who are diagnosed with physical health conditions that may be exacerbated by co-occurring mental health conditions.

COMMENT: This footnote was first included in the FY 2016-17 Long Bill in connection with a \$500,000 General Fund increase in the appropriation for “Services for Indigent Mentally Ill Clients” to expand access to inpatient psychiatric care for individuals who are diagnosed with physical health conditions that are exacerbated by co-occurring mental health problems. This footnote was included to specify the General Assembly's intent in making the appropriation. The Department used a request for proposal process and awarded the funds to Mind Springs Health. The Committee amended the footnote through the Department’s supplemental bill (S.B. 17-163) after staff became aware that the funding was unlikely to be spent based on procurement-related delays and footnote language that did not reflect the manner in which the services are being provided. The above language reflects this revision, and staff recommends continuing this footnote for FY 2017-18. Please note, however, that if the Committee approves the Staff-initiated Long Bill reorganization, this footnote will reference the “Assertive Community Treatment Programs and Other Alternatives to the Mental Health Institutes” line item.

- 49 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 General Fund, over and above the \$21,213 General Fund that was added consistent with the statewide policy concerning community provider rates. For FY 2016-17, the appropriation remained unchanged in total, but the appropriation now includes \$521,213 General Fund and \$500,000 cash funds from the Marijuana Tax Cash Fund. Staff recommends continuing this footnote for FY 2017-18.

- 50 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.

The Department reports annually concerning transfers that are made under this authority, and staff reports these transfers in the annual Staff Budget Briefing. In FY 2015-16, the Department was authorized to transfer a total of \$11,269,395 among line items (\$112,693,952 X 10%). The Department transferred a total of \$4,197,852 (3.7 percent of total appropriations) among line items in FY 2015-16. Staff recommends continuing this footnote for FY 2017-18.

REQUESTS FOR INFORMATION

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

- 1 Department of Human Services, Behavioral Health Services, Community Behavioral Health Administration -- The Department is requested to provide, by November 1, 2016, a report concerning the feasibility of developing and implementing a real time statewide data system for tracking the availability of psychiatric beds that have been designated or approved by the Department to evaluate and treat a person who has been placed on an involuntary 72-hour mental health hold pursuant to Section 27-65-105, C.R.S. The Department is requested to work with key stakeholders and service providers, as well as the Governor's Office of Information Technology, to: (1) identify the system features that would be necessary to allow law enforcement and other relevant professionals to efficiently determine what facilities have an available bed and facilitate the process of requesting a facility with an available bed to accept the patient for admission; (2) identify the features that would be necessary to allow the Department to track the availability of beds and evaluate the adequacy of the number of designated beds for various regions and populations; (3) identify examples of data systems that have been developed by other states that could potentially serve as a model for Colorado; and (4) develop an estimate of the cost of developing, implementing, and maintaining a system that includes the desired features.

COMMENT: The Department provided a report as requested. For more information, see the issue brief concerning a Data System for Tracking Psychiatric Bed Availability in the Staff Budget Briefing dated December 13, 2016.

- 2 Department of Human Services, Behavioral Health Services, Mental Health Community Programs, Mental Health First Aid -- The Department is requested to provide, by November 1, 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 2015-16 expenditures. The Department is also requested to provide information about planned expenditures for FY 2016-17.

COMMENT: This request for information has been included in the letter to the Governor since this funding was first provided in FY 2013-14. The Department has included the annual report as part of its annual budget request, and staff has included a summary of the reported information in the annual Staff Budget Briefing. The Department has contracted with the Colorado Behavioral Healthcare Council (CBHC) to provide the delivery of services known as “MHFA Colorado”. Based on the information that has been provided through the reports to date, staff does not believe that it is necessary to continue this reporting requirement. Staff assumes that the Department will continue to collect any relevant data as part of the contracting process with CBHC.

JBC Staff Staff Figure Setting - FY 2017-18
Staff Working Document - Does Not Represent Committee Decision

Appendix A: Number Pages

	FY 2014-15 Actual	FY 2015-16 Actual	FY 2016-17 Appropriation	FY 2017-18 Request	FY 2017-18 Recommendation
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DEPARTMENT OF HUMAN SERVICES
Reggie Bicha, Executive Director

(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. 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 the Department of Health Care Policy and Financing of "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), 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>4,331,440</u>	<u>4,591,038</u>	<u>5,270,642</u>	<u>5,194,870</u>	<u>5,962,359</u> *
FTE	49.3	55.1	62.6	63.5	70.5
General Fund	1,323,612	1,309,100	1,659,469	1,724,823	1,724,823
Cash Funds	240,399	239,273	383,805	234,035	405,975
Reappropriated Funds	764,781	741,690	878,854	881,150	881,150
Federal Funds	2,002,648	2,300,975	2,348,514	2,354,862	2,950,411
Operating Expenses	<u>254,436</u>	<u>285,539</u>	<u>298,683</u>	<u>283,613</u>	<u>299,633</u> *
General Fund	19,679	36,638	22,529	28,182	28,182
Cash Funds	22,096	9,445	42,177	21,454	37,474
Reappropriated Funds	2,563	2,049	16,266	16,266	16,266
Federal Funds	210,098	237,407	217,711	217,711	217,711

JBC Staff Staff Figure Setting - FY 2017-18
Staff Working Document - Does Not Represent Committee Decision

	FY 2014-15 Actual	FY 2015-16 Actual	FY 2016-17 Appropriation	FY 2017-18 Request	FY 2017-18 Recommendation
Federal Programs and Grants	<u>8,271</u>	<u>213</u>	<u>21,000</u>	<u>21,000</u>	<u>21,000</u>
FTE	0.0	0.0	0.0	0.0	0.0
Federal Funds	8,271	213	21,000	21,000	21,000
Indirect Cost Assessment	<u>2,088</u>	<u>1,712</u>	<u>270,861</u>	<u>270,861</u>	<u>270,861</u>
Cash Funds	2,088	1,712	3,280	3,280	3,280
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	267,581	267,581	267,581
SUBTOTAL - (A) Community Behavioral Health					
Administration	4,596,235	4,878,502	5,861,186	5,770,344	6,553,853
FTE	<u>49.3</u>	<u>55.1</u>	<u>62.6</u>	<u>63.5</u>	<u>70.5</u>
General Fund	1,343,291	1,345,738	1,681,998	1,753,005	1,753,005
Cash Funds	264,583	250,430	429,262	258,769	446,729
Reappropriated Funds	767,344	743,739	895,120	897,416	897,416
Federal Funds	2,221,017	2,538,595	2,854,806	2,861,154	3,456,703

(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 marijuana tax revenues.

Services for Indigent Mentally Ill Clients	<u>36,629,154</u>	<u>36,667,693</u>	<u>38,136,753</u>	<u>38,136,753</u>	<u>39,940,938</u>
General Fund	30,413,968	31,028,647	31,539,452	31,539,452	31,539,452
Reappropriated Funds	0	0	161,909	161,909	161,909
Federal Funds	6,215,186	5,639,046	6,435,392	6,435,392	8,239,577
Medications for Indigent Mentally Ill Clients	<u>1,521,855</u>	<u>1,522,194</u>	<u>1,554,437</u>	<u>1,554,437</u>	<u>1,554,437</u>
General Fund	1,521,855	1,522,194	1,554,437	1,554,437	1,554,437

JBC Staff Staff Figure Setting - FY 2017-18
Staff Working Document - Does Not Represent Committee Decision

	FY 2014-15 Actual	FY 2015-16 Actual	FY 2016-17 Appropriation	FY 2017-18 Request	FY 2017-18 Recommendation
School-based Mental Health Services	<u>1,188,380</u>	<u>1,180,711</u>	<u>1,213,254</u>	<u>1,213,254</u>	<u>1,213,254</u>
General Fund	1,188,380	1,180,711	1,213,254	1,213,254	1,213,254
Assertive Community Treatment Programs	<u>674,557</u>	<u>4,715,306</u>	<u>5,489,587</u>	<u>5,489,587</u>	<u>5,489,587</u>
General Fund	674,557	4,715,306	4,803,563	4,803,563	4,803,563
Cash Funds	0	0	686,024	686,024	686,024
Alternatives to Inpatient Hospitalization at a Mental Health Institute	<u>3,261,625</u>	<u>3,337,483</u>	<u>3,337,487</u>	<u>3,337,487</u>	<u>3,337,487</u>
General Fund	3,261,625	3,337,483	3,337,487	3,337,487	3,337,487
Mental Health Services for Juvenile and Adult Offenders	<u>3,088,993</u>	<u>3,002,380</u>	<u>2,900,185</u>	<u>3,025,192</u>	<u>5,442,997</u>
Cash Funds	3,088,993	3,002,380	2,900,185	3,025,192	5,442,997
Mental Health Treatment Services for Youth (H.B. 99-1116)	<u>725,331</u>	<u>907,122</u>	<u>1,078,847</u>	<u>1,078,847</u>	<u>1,078,847</u> *
General Fund	417,309	613,874	655,223	655,223	655,223
Cash Funds	299,345	293,248	300,000	300,000	300,000
Reappropriated Funds	8,677	0	123,624	123,624	123,624
Mental Health First Aid	<u>750,000</u>	<u>210,000</u>	<u>210,000</u>	<u>210,000</u>	<u>210,000</u>
General Fund	750,000	210,000	210,000	210,000	210,000

JBC Staff Staff Figure Setting - FY 2017-18
Staff Working Document - Does Not Represent Committee Decision

	FY 2014-15 Actual	FY 2015-16 Actual	FY 2016-17 Appropriation	FY 2017-18 Request	FY 2017-18 Recommendation
SUBTOTAL - (B) Mental Health Community					
Programs	47,839,895	51,542,889	53,920,550	54,045,557	58,267,547
<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	38,227,694	42,608,215	43,313,416	43,313,416	43,313,416
Cash Funds	3,388,338	3,295,628	3,886,209	4,011,216	6,429,021
Reappropriated Funds	8,677	0	285,533	285,533	285,533
Federal Funds	6,215,186	5,639,046	6,435,392	6,435,392	8,239,577

(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>30,743,690</u>	<u>30,577,780</u>	<u>30,502,316</u>	<u>30,502,316</u>	<u>32,345,430</u>
General Fund	11,793,199	12,224,470	12,242,908	12,242,908	12,242,908
Cash Funds	1,602,901	1,373,330	464,905	464,905	411,250
Reappropriated Funds	939,299	615,748	1,064,688	1,064,688	864,688
Federal Funds	16,408,291	16,364,232	16,729,815	16,729,815	18,826,584
 Case Management for Chronic Detoxification Clients	 <u>411,673</u>	 <u>364,914</u>	 <u>369,464</u>	 <u>369,464</u>	 <u>369,464</u>
General Fund	2,538	2,581	2,581	2,581	2,581
Federal Funds	409,135	362,333	366,883	366,883	366,883
 Short-term Intensive Residential Remediation and Treatment (STIRRT)	 <u>3,447,833</u>	 <u>3,159,891</u>	 <u>3,669,435</u>	 <u>3,669,435</u>	 <u>3,769,435</u>
General Fund	3,039,845	2,869,388	3,146,489	3,146,489	3,146,489
Reappropriated Funds	407,988	290,503	522,946	522,946	622,946

JBC Staff Staff Figure Setting - FY 2017-18
Staff Working Document - Does Not Represent Committee Decision

	FY 2014-15 Actual	FY 2015-16 Actual	FY 2016-17 Appropriation	FY 2017-18 Request	FY 2017-18 Recommendation
High Risk Pregnant Women Program	<u>969,806</u>	<u>735,467</u>	<u>1,600,000</u>	<u>1,600,000</u>	<u>1,600,000</u> *
Reappropriated Funds	969,806	735,467	1,600,000	1,600,000	1,600,000
SUBTOTAL - (I) Treatment Services	35,573,002	34,838,052	36,141,215	36,141,215	38,084,329
<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	14,835,582	15,096,439	15,391,978	15,391,978	15,391,978
Cash Funds	1,602,901	1,373,330	464,905	464,905	411,250
Reappropriated Funds	2,317,093	1,641,718	3,187,634	3,187,634	3,087,634
Federal Funds	16,817,426	16,726,565	17,096,698	17,096,698	19,193,467
(II) Prevention and Intervention					
Prevention Contracts	<u>5,398,574</u>	<u>4,202,270</u>	<u>5,589,289</u>	<u>5,524,289</u>	<u>6,389,842</u>
General Fund	34,490	35,076	35,076	35,076	35,076
Cash Funds	85,312	15,893	106,635	41,635	23,750
Federal Funds	5,278,772	4,151,301	5,447,578	5,447,578	6,331,016
Persistent Drunk Driver Programs	<u>1,890,919</u>	<u>1,717,622</u>	<u>2,035,823</u>	<u>1,670,823</u>	<u>2,035,823</u>
Cash Funds	1,890,919	1,717,622	2,035,823	1,670,823	2,035,823
Law Enforcement Assistance Fund Contracts	<u>255,000</u>	<u>145,718</u>	<u>255,000</u>	<u>255,000</u>	<u>255,000</u>
Cash Funds	255,000	145,718	255,000	255,000	255,000
SUBTOTAL - (II) Prevention and Intervention	7,544,493	6,065,610	7,880,112	7,450,112	8,680,665
<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	34,490	35,076	35,076	35,076	35,076
Cash Funds	2,231,231	1,879,233	2,397,458	1,967,458	2,314,573
Federal Funds	5,278,772	4,151,301	5,447,578	5,447,578	6,331,016

JBC Staff Staff Figure Setting - FY 2017-18
Staff Working Document - Does Not Represent Committee Decision

	FY 2014-15 Actual	FY 2015-16 Actual	FY 2016-17 Appropriation	FY 2017-18 Request	FY 2017-18 Recommendation
(III) Other Programs					
Increasing Access to Effective Substance Use Disorder Services	<u>0</u>	<u>0</u>	<u>5,823,632</u>	<u>5,828,335</u>	<u>6,000,000</u>
FTE	0.0	0.0	0.0	0.0	0.0
Cash Funds	0	0	5,823,632	5,828,335	6,000,000
Federal Grants	<u>3,220,975</u>	<u>2,522,079</u>	<u>3,287,818</u>	<u>3,287,818</u>	<u>3,287,818</u>
FTE	0.0	0.0	0.0	0.0	0.0
Federal Funds	3,220,975	2,522,079	3,287,818	3,287,818	3,287,818
Balance of Substance Abuse Block Grant Programs	<u>216,467</u>	<u>188,599</u>	<u>109,848</u>	<u>109,848</u>	<u>109,848</u>
General Fund	175,543	188,599	9,848	9,848	9,848
Federal Funds	40,924	0	100,000	100,000	100,000
Community Prevention and Treatment	<u>692,659</u>	<u>598,194</u>	<u>756,298</u>	<u>756,298</u>	<u>756,298</u>
Cash Funds	692,659	598,194	756,298	756,298	756,298
Gambling Addiction Counseling Services	<u>82,343</u>	<u>12,051 0.1</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>
Cash Funds	0	12,051	100,000	100,000	100,000
Reappropriated Funds	82,343	0	0	0	0
Rural Substance Abuse Prevention and Treatment	<u>124,829</u>	<u>151,243</u>	<u>175,000</u>	<u>175,000</u>	<u>150,000</u>
Cash Funds	124,829	151,243	175,000	175,000	150,000
SUBTOTAL - (III) Other Programs	4,337,273	3,472,166	10,252,596	10,257,299	10,403,964
FTE	<u>0.0</u>	<u>0.1</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	175,543	188,599	9,848	9,848	9,848
Cash Funds	817,488	761,488	6,854,930	6,859,633	7,006,298
Reappropriated Funds	82,343	0	0	0	0
Federal Funds	3,261,899	2,522,079	3,387,818	3,387,818	3,387,818

JBC Staff Figure Setting - FY 2017-18
Staff Working Document - Does Not Represent Committee Decision

	FY 2014-15 Actual	FY 2015-16 Actual	FY 2016-17 Appropriation	FY 2017-18 Request	FY 2017-18 Recommendation
SUBTOTAL - (C) Substance Use Treatment and Prevention	47,454,768	44,375,828	54,273,923	53,848,626	57,168,958
<i>FTE</i>	<u>0.0</u>	<u>0.1</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	15,045,615	15,320,114	15,436,902	15,436,902	15,436,902
Cash Funds	4,651,620	4,014,051	9,717,293	9,291,996	9,732,121
Reappropriated Funds	2,399,436	1,641,718	3,187,634	3,187,634	3,087,634
Federal Funds	25,358,097	23,399,945	25,932,094	25,932,094	28,912,301

(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>22,007,161</u>	<u>22,253,026</u>	<u>22,952,410</u>	<u>26,532,728</u>	<u>22,952,410</u> *
General Fund	22,007,161	22,253,026	22,952,410	22,952,410	22,952,410
Cash Funds	0	0	0	3,580,318	0

Crisis Response System - Telephone Hotline	<u>2,355,865</u>	<u>2,395,915</u>	<u>2,595,915</u>	<u>2,995,915</u>	<u>2,995,915</u> *
General Fund	2,355,865	2,395,915	2,595,915	2,995,915	2,995,915

Crisis Response System - Marketing	<u>615,000</u>	<u>600,000</u>	<u>600,000</u>	<u>900,000</u>	<u>600,000</u> *
General Fund	615,000	600,000	600,000	900,000	600,000

Community Transition Services	<u>4,801,597</u>	<u>3,890,935</u>	<u>4,247,901</u>	<u>4,247,901</u>	<u>4,247,901</u> *
General Fund	4,801,597	3,890,935	4,247,901	4,247,901	4,247,901
Cash Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2017-18
Staff Working Document - Does Not Represent Committee Decision

	FY 2014-15 Actual	FY 2015-16 Actual	FY 2016-17 Appropriation	FY 2017-18 Request	FY 2017-18 Recommendation
Criminal Justice Diversion Programs	<u>0</u>	<u>0</u>	<u>0</u>	<u>6,028,037</u>	<u>2,557,942</u> *
FTE	0.0	0.0	0.0	2.3	1.3
Cash Funds	0	0	0	6,028,037	2,557,942
Jail-based Behavioral Health Services	<u>1,207,129</u>	<u>4,340,271</u>	<u>5,083,522</u>	<u>5,083,522</u>	<u>5,183,522</u>
Reappropriated Funds	1,207,129	4,340,271	5,083,522	5,083,522	5,183,522
Rural Co-occurring Disorder Services	<u>512,500</u>	<u>527,019</u>	<u>1,021,213</u>	<u>1,021,213</u>	<u>1,021,213</u>
General Fund	512,500	527,019	521,213	521,213	0
Cash Funds	0	0	500,000	500,000	1,021,213
SUBTOTAL - (D) Integrated Behavioral Health					
Services	31,499,252	34,007,166	36,500,961	46,809,316	39,558,903
FTE	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>2.3</u>	<u>1.3</u>
General Fund	30,292,123	29,666,895	30,917,439	31,617,439	30,796,226
Cash Funds	0	0	500,000	10,108,355	3,579,155
Reappropriated Funds	1,207,129	4,340,271	5,083,522	5,083,522	5,183,522

JBC Staff Staff Figure Setting - FY 2017-18
Staff Working Document - Does Not Represent Committee Decision

	FY 2014-15 Actual	FY 2015-16 Actual	FY 2016-17 Appropriation	FY 2017-18 Request	FY 2017-18 Recommendation
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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 mental health 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 the mental health institute to DOC facilities located on the Pueblo campus, and marijuana tax revenues.

(1) Mental Health Institute - Ft. Logan

Personal Services	<u>17,951,731</u>	<u>19,235,070</u>	<u>19,131,795</u>	<u>19,134,893</u>	<u>19,134,893</u> *
FTE	229.1	230.9	218.6	221.6	221.6
General Fund	16,214,105	17,618,656	17,524,995	17,355,979	17,355,979
Cash Funds	1,618,778	1,598,932	1,579,304	1,751,418	1,751,418
Reappropriated Funds	118,848	17,482	27,496	27,496	27,496
Contract Medical Services	<u>814,208</u>	<u>756,692</u>	<u>1,269,465</u>	<u>1,269,465</u>	<u>815,297</u>
General Fund	814,208	756,692	1,269,465	1,269,465	815,297
Operating Expenses	<u>1,196,938</u>	<u>1,145,944</u>	<u>1,066,278</u>	<u>1,408,080</u>	<u>1,379,280</u> *
General Fund	1,073,211	986,535	916,789	1,239,507	1,210,707
Cash Funds	123,727	123,727	121,893	140,977	140,977
Reappropriated Funds	0	35,682	27,596	27,596	27,596
Capital Outlay	<u>0</u>	<u>801,818</u>	<u>20,814</u>	<u>112,916</u>	<u>112,916</u> *
General Fund	0	801,818	20,814	112,916	112,916
Pharmaceuticals	<u>1,128,323</u>	<u>1,295,585</u>	<u>1,353,110</u>	<u>1,353,110</u>	<u>1,353,110</u> *
General Fund	1,067,956	1,211,863	1,227,846	1,227,846	1,227,846
Cash Funds	60,367	83,722	104,559	104,559	104,559
Reappropriated Funds	0	0	20,705	20,705	20,705

JBC Staff Staff Figure Setting - FY 2017-18
Staff Working Document - Does Not Represent Committee Decision

	FY 2014-15 Actual	FY 2015-16 Actual	FY 2016-17 Appropriation	FY 2017-18 Request	FY 2017-18 Recommendation
SUBTOTAL - (1) Mental Health Institute - Ft.					
Logan	21,091,200	23,235,109	22,841,462	23,278,464	22,795,496
<i>FTE</i>	<u>229.1</u>	<u>230.9</u>	<u>218.6</u>	<u>221.6</u>	<u>221.6</u>
General Fund	19,169,480	21,375,564	20,959,909	21,205,713	20,722,745
Cash Funds	1,802,872	1,806,381	1,805,756	1,996,954	1,996,954
Reappropriated Funds	118,848	53,164	75,797	75,797	75,797
(2) Mental Health Institute - Pueblo					
Personal Services	<u>70,838,650</u>	<u>69,172,205</u>	<u>70,349,017</u>	<u>70,249,498</u>	<u>70,499,161</u> *
FTE	1,023.7	1,015.6	985.4	991.1	995.4
General Fund	57,736,095	58,903,464	60,919,028	60,536,655	60,786,318
Cash Funds	5,484,689	4,244,441	2,907,532	3,190,385	3,190,385
Reappropriated Funds	7,617,866	6,024,300	6,522,457	6,522,458	6,522,458
Contract Medical Services	<u>3,569,146</u>	<u>3,147,461</u>	<u>3,589,425</u>	<u>3,589,425</u>	<u>3,485,919</u>
General Fund	3,569,146	3,147,461	3,589,425	3,589,425	3,485,919
Operating Expenses	<u>5,853,469</u>	<u>5,964,355</u>	<u>5,463,407</u>	<u>5,830,520</u>	<u>5,869,294</u> *
General Fund	3,200,568	3,822,251	2,830,317	3,101,265	3,140,039
Cash Funds	709,620	324,685	343,839	426,774	426,774
Reappropriated Funds	1,943,281	1,817,419	2,289,251	2,302,481	2,302,481
Capital Outlay	<u>0</u>	<u>727,192</u>	<u>211,518</u>	<u>324,068</u>	<u>324,068</u> *
General Fund	0	727,192	211,518	324,068	324,068
Pharmaceuticals	<u>3,447,299</u>	<u>3,717,011</u>	<u>3,783,395</u>	<u>3,783,395</u>	<u>3,838,115</u> *
General Fund	3,149,894	3,099,347	3,144,797	3,144,797	3,199,517
Cash Funds	297,405	254,851	268,243	268,243	268,243
Reappropriated Funds	0	362,813	370,355	370,355	370,355

JBC Staff Staff Figure Setting - FY 2017-18
Staff Working Document - Does Not Represent Committee Decision

	FY 2014-15 Actual	FY 2015-16 Actual	FY 2016-17 Appropriation	FY 2017-18 Request	FY 2017-18 Recommendation
Educational Programs	<u>168,121</u>	<u>191,784</u>	<u>169,261</u>	<u>169,261</u>	<u>169,261</u> *
FTE	2.4	1.9	2.7	2.7	2.7
General Fund	0	41,572	52,720	52,720	52,720
Reappropriated Funds	132,026	116,541	116,541	116,541	116,541
Federal Funds	36,095	33,671	0	0	0
Jail-based Competency Restoration Program	<u>2,197,506</u>	<u>3,523,254</u>	<u>6,063,942</u>	<u>6,072,647</u>	<u>6,072,647</u>
FTE	1.0	4.5	3.0	3.0	3.0
General Fund	2,197,506	3,523,254	6,063,942	6,072,647	6,072,647
Circle Program	<u>0</u>	<u>2,136,789</u>	<u>2,078,001</u>	<u>2,213,224</u>	<u>2,213,224</u> *
FTE	0.0	19.9	21.3	21.3	21.3
Cash Funds	0	2,119,468	2,060,680	2,195,903	2,195,903
Reappropriated Funds	0	17,321	17,321	17,321	17,321
Circle Program Business Plan Analysis	<u>0</u>	<u>189,733</u>	<u>0</u>	<u>0</u>	<u>0</u>
FTE	0.0	0.0	0.0	0.0	0.0
General Fund	0	189,733	0	0	0
SUBTOTAL - (2) Mental Health Institute - Pueblo	86,074,191	88,769,784	91,707,966	92,232,038	92,471,689
FTE	<u>1027.1</u>	<u>1041.9</u>	<u>1012.4</u>	<u>1018.1</u>	<u>1022.4</u>
General Fund	69,853,209	73,454,274	76,811,747	76,821,577	77,061,228
Cash Funds	6,491,714	6,943,445	5,580,294	6,081,305	6,081,305
Reappropriated Funds	9,693,173	8,338,394	9,315,925	9,329,156	9,329,156
Federal Funds	36,095	33,671	0	0	0

JBC Staff Staff Figure Setting - FY 2017-18
Staff Working Document - Does Not Represent Committee Decision

	FY 2014-15 Actual	FY 2015-16 Actual	FY 2016-17 Appropriation	FY 2017-18 Request	FY 2017-18 Recommendation
SUBTOTAL - (E) Mental Health Institutes	107,165,391	112,004,893	114,549,428	115,510,502	115,267,185
<i>FTE</i>	<u>1,256.2</u>	<u>1,272.8</u>	<u>1,231.0</u>	<u>1,239.7</u>	<u>1,244.0</u>
General Fund	89,022,689	94,829,838	97,771,656	98,027,290	97,783,973
Cash Funds	8,294,586	8,749,826	7,386,050	8,078,259	8,078,259
Reappropriated Funds	9,812,021	8,391,558	9,391,722	9,404,953	9,404,953
Federal Funds	36,095	33,671	0	0	0
TOTAL - (8) Behavioral Health Services	238,555,541	246,809,278	265,106,048	275,984,345	276,816,446
<i>FTE</i>	<u>1,305.5</u>	<u>1,328.0</u>	<u>1,293.6</u>	<u>1,305.5</u>	<u>1,315.8</u>
General Fund	173,931,412	183,770,800	189,121,411	190,148,052	189,083,522
Cash Funds	16,599,127	16,309,935	21,918,814	31,748,595	28,265,285
Reappropriated Funds	14,194,607	15,117,286	18,843,531	18,859,058	18,859,058
Federal Funds	33,830,395	31,611,257	35,222,292	35,228,640	40,608,581

NOTE: An asterisk (*) indicates that the FY 2017-18 request for a line item is impacted by one or more decision items.

APPENDIX B: S.B. 16-202 COMMUNITY ASSESSMENTS OF THE SUFFICIENCY OF SUBSTANCE USE DISORDER SERVICES

Senate Bill 16-202 requires each of the State's designated regional managed service organizations (MSOs) to assess the sufficiency of substance use disorder services within its geographic region for adolescents, young adults, pregnant women and women who are postpartum and parenting, and other adults in need of such services. The assessment must be completed by February 1, 2017, and must include an analysis of existing funding and resources within the community to provide a continuum of substance use disorder services, including prevention, early intervention, treatment, and recovery support services.

The act also requires each MSO to prepare and submit a community action plan to the Department of Human Services (the Department) and the Department of Health Care Policy and Financing by March 1, 2017. The plan must summarize the results of the community assessment and describe how the MSO will utilize its allocation of funding from the Marijuana Tax Cash Fund (MTCF) to address the most critical service gaps within the region. The act requires the Department to post the MSOs' community action plans on its website and submit a summary report to relevant legislative committees by May 1, 2017.

The act requires the Department to allocate money that is annually appropriated to it from the MTCF to the MSOs based on the Department's allocation of the federal Substance Abuse Prevention and Treatment Block Grant. The act allows MSOs, by consensus, to recommend changes to the allocation methodology. The act requires the Department to disburse to each MSO its annual allocation from the MTCF appropriation as follows:

- For FY 2016-17: Disburse 60 percent of the allocation on July 1, 2016, and disburse the remaining 40 percent of the allocation after the MSO submits its community action plan.
- For FY 2017-18 and subsequent fiscal years: Disburse 100 percent of the allocation on July 1.

Each MSO is authorized to use its allocation to implement its community action plan and increase access to substance use disorder services for populations in need of such services within its region. The act states the General Assembly's intent that each MSO use its allocation to cover expenditures for substance use disorder services that are not otherwise covered by public or private insurance. For FY 2016-17, an MSO is authorized to use up to 15 percent of its allocation to conduct the assessment and prepare the community action plan.

The act requires each MSO to submit to the Department a mid-year report by February 1 and an annual report by September 1 concerning the amount, purpose, and impact of actual expenditures made using the money from the MTCF. The act requires the Department, in collaboration with the MSOs, to submit a report to the relevant legislative committees by November 1, 2020, concerning the first four fiscal years of expenditures and the resulting impact on increasing access to effective substance use disorder services, and including any recommendations to strengthen or improve the program.

The Colorado Behavioral Healthcare Council has made the S.B. 16-202 Community Assessment Report available on its website at:

<http://www.cbhc.org/substance-use-disorder-community-assessment-sb-16-202-report/>

The report was prepared by Keystone Policy Center. To determine how to most effectively allocate increased funding for substance use disorder services, Keystone worked with the MSOs and conducted dozens of interviews, 10 statewide meetings, and hundreds of surveys with key stakeholders to solicit feedback on gaps in services. The meeting, interview, and survey participants included:

- mental health centers;
- substance use prevention, intervention, treatment and recovery providers;
- behavioral health organizations;
- county departments of human services;
- local public health agencies;
- law enforcement;
- homeless and veteran serving organizations;
- probation; primary care providers;
- regional care coordination organizations;
- hospital systems;
- crisis system; and
- state agencies.

In addition, the OMNI Institute reviewed and synthesized existing sources of information regarding the needs and priorities for substance use disorder services in Colorado.

The Keystone report states that stakeholders emphasized that the gaps and needs related to substance use disorder services are significant and varied, and nearly every population is underserved. Most regions shared similar concerns about needs with respect to the workforce, residential treatment options, detoxification services, education and de-stigmatization, and supportive services. Stakeholders called for funding that is flexible at the regional and community levels, sustainable, and focused on the development of a continuum of care including prevention, intervention, treatment, and recovery. Stakeholders identified the financial challenges of building and sustaining a continuum of care due to disjointed and inflexible funding, inconsistent insurance benefits, lack of consistent access to services, and the inability to appropriately scale capacity in both rural and urban areas. Most providers shared feedback that their services have no source of reliable funding, with all sources, including the State, competing to be the “payer of last resort”.

The report includes subsections specific to each of the seven MSO regions. Each MSO is currently preparing a community action plan that describes how it will use its allocation from this appropriation to address the most critical service gaps in its respective region(s).