

MEMORANDUM



JOINT BUDGET COMMITTEE

TO Joint Budget Committee Members
FROM Carolyn Kampman, JBC Staff (303-866-4959)
DATE March 8, 2017
SUBJECT Staff Comeback Concerning Community Provider Rates for Behavioral Health Services

The Committee's community provider rate common policy is pending. **If the Committee decides to adjust community provider rates for FY 2017-18, staff requests permission to modify the affected line item appropriations for behavioral health services to the Departments of Human Services (DHS) and Health Care Policy and Financing (HCPF).** Table 1 details the line items and appropriations to DHS that the Committee has already taken action on, and that would be subject to a community provider rate adjustment. For HCPF, the policy would only apply to the Behavioral Health Fee-for-service Payments line item. For both Departments, the following amounts comprise the base appropriations that would be subject to a community provider rate adjustment:

| | |
|--|------------------|
| General Fund | \$109,150,504 |
| CF - Marijuana Tax Cash Fund | 12,982,344 |
| CF – local funds and other cash funds | 1,055,491 |
| RF – Transfer from Judicial (Correctional Treatment Cash Fund) | 6,671,156 |
| RF – Transfer from HCPF (Medicaid funds) | 1,723,624 |
| Federal Medicaid funds | <u>6,566,051</u> |
| Total funds | \$138,149,170 |

Second, **staff recommends that the Committee apply the community provider rate common policy to amounts that are appropriated through the Correctional Treatment Cash Fund (CTCF).** The CTCF was created to:

- provide a mechanism to ensure that the estimated General Fund savings resulting from drug sentencing changes is reinvested to increase the availability of substance abuse treatment for offenders; and
- consolidate the major sources of state funding for offender substance abuse treatment and the associated oversight boards.

The Judicial Department section of the annual Long Bill includes appropriations from the General Fund and the Marijuana Tax Cash Fund to the CTCF. This section also provides a corresponding amount of spending authority from the CTCF to allow the Department to provide treatment services to offenders on probation, and to transfer a portion of the money to other state agencies. These transfers are reflected a third time in the other three agencies' budgets. Table 2 details the line item appropriations that staff recommends making subject to the common policy. In many cases, these line items also include direct General Fund appropriations that have traditionally been subject to the provider rate common policy. Staff recommends treating these fund sources uniformly starting in FY 2017-18. Please note, however, that if the Committee adopts a policy that reduces community provider rates, the General Fund appropriation to the CTCF cannot be decreased below \$15.2 million without a statutory change.

TABLE 1: DHS APPROPRIATIONS FOR BEHAVIORAL HEALTH SERVICES SUBJECT TO COMMUNITY PROVIDER RATE POLICY

| LONG BILL SUBSECTION/LINE ITEMS SUBJECT TO COMMUNITY PROVIDER RATE INCREASE | BRIEF DESCRIPTION OF SERVICE PROVIDERS | FY 2017-18 BASE AMOUNT FOR RATE ADJUSTMENT | | | |
|---|---|--|----------------|------------|----------------------|
| | | TOTAL FUNDS | GENERAL FUND | CASH FUNDS | REAPPROPRIATED FUNDS |
| (8) Office of Behavioral Health | | | | | |
| (B) Community-based Mental Health Services | | | | | |
| Mental Health Community Programs | Community Mental Health Centers | \$29,673,456 | \$29,673,456 | \$0 | \$0 |
| Assertive Community Treatment Programs and Other Alternatives to the Mental Health Institutes | Community Mental Health Centers | 13,460,761 | 12,774,737 | 686,024 | 0 |
| Mental Health Services for Juvenile and Adult Offenders | Community Mental Health Centers | 5,442,997 | 0 | 5,442,997 | 0 |
| Mental Health Treatment Services for Youth (H.B. 99-1116) | Community Mental Health Centers | 1,078,847 | 655,223 | 300,000 | 123,624 |
| (C) Substance Use Treatment and Prevention Services | | | | | |
| Treatment and Detoxification Programs | Managed service organizations (MSOs) and local substance abuse treatment providers | 12,245,489 | 12,245,489 | 0 | 0 |
| Increasing Access to Effective Substance Use Disorder Services (SB 16-202) | MSOs | 6,000,000 | 0 | 6,000,000 | 0 |
| Offender Services | Local substance abuse treatment providers | 4,634,123 | 3,146,489 | 0 | 1,487,634 |
| High Risk Pregnant Women Program | Local substance abuse treatment providers | 1,600,000 | 0 | 0 | 1,600,000 |
| (D) Integrated Behavioral Health Services | | | | | |
| Behavioral Health Crisis Response System Services | Four consortiums of community mental health centers | 22,952,410 | 22,952,410 | 0 | 0 |
| Crisis Response System - Telephone Hotline | Rocky Mountain Crisis Partners | 2,995,915 | 2,995,915 | 0 | 0 |
| Community Transition Services | Behavioral Healthcare Inc. (behavioral health organization for Adams, Arapahoe, and Douglas counties) | 4,247,901 | 4,247,901 | 0 | 0 |
| Criminal Justice Diversion Programs | Funding will be awarded through an RFP | 0 | 0 | 0 | 0 |
| Jail-based Behavioral Health Services | Sheriffs' offices | 5,183,522 | 0 | 0 | 5,183,522 |
| Rural Co-occurring Disorder Services | Crossroads' Turning Point, Inc. | 1,021,213 | 0 | 1,021,213 | 0 |
| (E) Mental Health Institutes | | | | | |
| <i>Ft. Logan - Personal Services:</i> | | | | | |
| Psychiatrists and medical staff | Employees of the University of Colorado at Denver | 3,748,863 | 3,748,863 | 0 | 0 |
| Trauma informed care providers | Behavioral Healthcare Inc. | <u>124,857</u> | <u>124,857</u> | <u>0</u> | <u>0</u> |
| | <i>Subtotal</i> | 3,873,720 | 3,873,720 | 0 | 0 |
| <i>Pueblo - Personal Services:</i> | | | | | |
| Psychiatrists and medical staff | Employees of the University of Colorado at Denver | 8,431,089 | 8,431,089 | 0 | 0 |
| Trauma informed care providers | Behavioral Healthcare Inc. | <u>253,498</u> | <u>253,498</u> | <u>0</u> | <u>0</u> |
| | <i>Subtotal</i> | 8,684,587 | 8,684,587 | 0 | 0 |

STAFF COMEBACK REGARDING COMMUNITY PROVIDER RATES
 FOR BEHAVIORAL HEALTH SERVICES
 MARCH 8, 2017

| TABLE 1: DHS APPROPRIATIONS FOR BEHAVIORAL HEALTH SERVICES SUBJECT TO COMMUNITY PROVIDER RATE POLICY | | | | | |
|--|---|--|----------------------|---------------------|----------------------|
| LONG BILL SUBSECTION/LINE ITEMS SUBJECT TO COMMUNITY PROVIDER RATE INCREASE | BRIEF DESCRIPTION OF SERVICE PROVIDERS | FY 2017-18 BASE AMOUNT FOR RATE ADJUSTMENT | | | |
| | | TOTAL FUNDS | GENERAL FUND | CASH FUNDS | REAPPROPRIATED FUNDS |
| Jail-based Competency Restoration Program | Correct Care, LLC (formerly GEO Care) | 5,989,057 | 5,989,057 | 0 | 0 |
| Circle Program | Employees of the University of Colorado at Denver | 218,134 | 0 | 218,134 | 0 |
| Total for the Office of Behavioral Health | | \$129,302,132 | \$107,238,984 | \$13,668,368 | \$8,394,780 |

| TABLE 2: APPROPRIATIONS RELATED TO THE CORRECTIONAL TREATMENT CASH FUND THAT SHOULD BE SUBJECT TO PROVIDER RATE CHANGES | | | | |
|---|---------------------|--------------------|----------------------|-------------------|
| DEPARTMENT, DIVISION, AND LINE ITEM | GENERAL FUND | CASH FUNDS (MTCF) | REAPPROPRIATED FUNDS | TOTAL FUNDS |
| Judicial Department | | | | |
| Probation and Related Services | | | | |
| Appropriation to Correctional Treatment Cash Fund (CTCF) | \$15,200,000 | \$1,550,000 | \$0 | \$16,750,000 |
| Offender Treatment and Services (spending authority out of the CTCF) | 0 | 0 | 16,750,000 | 16,750,000 |
| Transfers to Other State Agencies: | | | | |
| <u>Corrections</u> | | | | |
| Inmate Programs | | | | |
| Drug and Alcohol Treatment Subprogram | | | | |
| Services for Substance Abuse and Co-occurring Disorders | | | 995,127 | 995,127 |
| Contract Services | | | 350,000 | 350,000 |
| Community Services | | | | |
| Parole Subprogram | | | | |
| Contract Services | | | 2,112,100 | 2,112,100 |
| <u>Human Services</u> | | | | |
| Office of Behavioral Health | | | | |
| Substance Use Treatment and Prevention Services | | | | |
| Offender Services | | | 1,487,634 | 1,487,634 |
| Integrated Behavioral Health Services | | | | |
| Jail-based Behavioral Health Services | | | 5,183,522 | 5,183,522 |
| <u>Public Safety</u> | | | | |
| Division of Criminal Justice | | | | |
| Community Corrections | | | | |
| Community Corrections Placements | | | 2,643,869 | 2,643,869 |
| Services for Substance Abuse and Co-occurring Disorders | | | 2,553,900 | 2,553,900 |
| TOTAL | \$15,200,000 | \$1,550,000 | \$32,076,152 | 48,826,152 |