

**COLORADO GENERAL ASSEMBLY
JOINT BUDGET COMMITTEE**



**FY 2015-16 STAFF FIGURE SETTING
DEPARTMENT OF HUMAN SERVICES**

(Behavioral Health Services only)

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

**Prepared By:
Carolyn Kampman, JBC Staff
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For Further Information Contact:

Joint Budget Committee Staff
200 E. 14th Avenue, 3rd Floor
Denver, Colorado 80203
Telephone: (303) 866-2061
TDD: (303) 866-3472

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DEPARTMENT OF HUMAN SERVICES

GENERAL NOTES ABOUT THIS PACKET

Department of Health Care Policy and Financing Division 7 Figure Setting

Certain programs within the Department of Human Services (DHS) receive funding through the Medicaid program. The federal Medicaid funds that support DHS programs and any state matching funds are first appropriated to the Department of Health Care Policy and Financing, then reappropriated to DHS for various programs. Within the Department of Health Care Policy and Financing's budget, these funds are reflected in the section titled: "Department of Human Services Medicaid-Funded Programs" (section 7). The final section of this narrative includes staff recommendations for the line items in the Department of Health Care Policy and Financing, Department of Human Services Medicaid-Funded Programs section that relate to the programs covered in this document. The following programs/divisions in this document receive Medicaid Funds:

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

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. The Department is also responsible for inspecting and licensing child care facilities and for the care and treatment of the state's dependent citizens who are mentally ill, developmentally disabled, or juvenile offenders. The Department's adjusted FY 2014-15 appropriation represents 7.6 percent of statewide operating appropriations and 8.8 percent of statewide General Fund appropriations.

This document concerns the Department's Office of Behavioral Health, which is responsible for 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 a low income who are not eligible for Medicaid, as well as services for Medicaid-eligible clients that are not covered by the Medicaid program. 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 Department's Division of Youth Corrections.

DEPARTMENT REQUEST AND RECOMMENDATION SUMMARY

Executive Request

The Department of Human Services requests a total of \$251.7 million (including \$184.4 million General Fund) and 1,281.1 FTE for Behavioral Health Services for FY 2015-16. The request represents an increase of \$3.1 million (1.2 percent) compared to existing appropriations for FY 2014-15, including a \$5.8 million (3.3 percent) increase in General Fund appropriations. The increase in General Fund appropriations primarily includes the following:

- The allocation of salary increases awarded in FY 2014-15 totaling \$2.4 million to line items in this section that support employee salaries;
- A one-time appropriation of \$1.7 million for a variety of equipment replacements, repairs, and minor renovations at the mental health institutes;
- Restoration of a \$1.4 million mid-year reduction in the appropriation that supports services for individuals transitioning from a mental health institute to the community due to continued delays in the implementation of this 2013 initiative; and
- An increase of \$0.9 million for a 1.0 percent increase in community provider rates.

Staff Recommendation

Staff recommends an adjustment to FY 2014-15 appropriations to correct a technical error in the appropriation. The recommended changes do not affect the total appropriations for FY 2014-15.

For FY 2015-16, staff recommends appropriations for Behavioral Health Services totaling \$254.6 million (including \$184.2 million General Fund) and 1,281.1 FTE. In total, staff's recommendation is \$3.0 million higher than the Department's request. The most significant differences between the recommendation and the request are listed below.

- The recommendation includes \$1.9 million more General Fund than requested for community provider rate increases.
- The recommendation includes the continuation of a \$1.5 million cash fund appropriation from the Marijuana Tax Cash Fund (MTCF) for jail-based behavioral health services. The request eliminates this appropriation.
- The recommendation includes a direct appropriation of \$1.9 million cash funds from the MTCF for the Circle Program, an intensive treatment program at the Colorado Mental Health Institute at Pueblo (CMHIP). The request continues to fund the Circle Program with \$1.9 million General Fund based on an erroneous assumption that S.B. 14-215 requires an annual transfer of \$2.0 million from the MTCF to the General Fund in FY 2015-16.
- Staff's recommendation is \$0.3 million cash funds lower than the request due to the Committee's previous action on tobacco-funded programs.

JBC Staff Figure Setting – FY 2015-16
Staff Working Document – Does Not Represent Committee Decision

The following table summarizes the staff recommendations for FY 2014-15 and FY 2015-16, followed by brief descriptions of each recommended incremental change.

Behavioral Health Services						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation						
HB 14-1336 (Long Bill)	\$243,876,116	\$177,077,005	\$15,825,917	\$15,741,517	\$35,231,677	1,241.2
Other legislation (SB 14-129; SB14-215)	3,538,250	0	3,538,250	0	0	0.0
Supplemental bill (S.B. 15-149)	1,651,331	1,549,091	(812,872)	915,112	0	30.6
Supplemental package bill (SB 15-167)	(452,787)	0	(452,787)	0	0	0.0
Long Bill Supplemental	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$248,612,910	\$178,626,096	\$18,098,508	\$16,656,629	\$35,231,677	1,271.8
FY 2015-16 Recommended Appropriation						
FY 2014-15 Appropriation	\$248,612,910	\$178,626,096	\$18,098,508	\$16,656,629	\$35,231,677	1,271.8
R20 Community provider rate	2,814,785	2,753,739	18,213	42,833	0	0.0
Annualize salary survey and merit pay increases	2,474,742	2,416,619	0	24,909	33,214	0.0
R14 Institute equipment replacement	1,711,403	1,711,403	0	0	0	0.0
Consolidate funding for Circle Program	347,969	347,969	0	0	0	0.0
R1 MHI treatment unit	281,811	281,811	0	0	0	6.1
R13 Circle program	225,000	225,000	0	0	0	0.0
Non-prioritized requested changes	185,305	0	0	185,305	0	0.0
Reverse supplemental	93,890	93,890	0	0	0	0.0
R15 Food inflation	28,128	28,128	0	0	0	0.0
CMHIP educational programs	0	(14,549)	0	14,549	0	0.0
Allocation of marijuana tax revenues	(1,497,213)	(1,913,782)	416,569	0	0	0.0
Annualize prior year budget actions	(390,091)	(390,091)	0	0	0	3.2
Tobacco Master Settlement revenue adjustment	<u>(259,329)</u>	<u>0</u>	<u>(259,329)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$254,629,310	\$184,166,233	\$18,273,961	\$16,924,225	\$35,264,891	1,281.1
Increase/(Decrease)	\$6,016,400	\$5,540,137	\$175,453	\$267,596	\$33,214	9.3
Percentage Change	2.4%	3.1%	1.0%	1.6%	0.1%	0.7%
FY 2015-16 Executive Request:	\$251,677,542	\$184,437,795	\$15,058,041	\$16,916,815	\$35,264,891	1,281.1
Request Above/(Below) Recommendation	(\$2,951,768)	\$271,562	(\$3,215,920)	(\$7,410)	\$0	0.0

Issue Descriptions

Long Bill Supplemental: The recommendation shifts \$1.2 million General Fund between two line item appropriations for CMHIP to correct a technical error in the FY 2014-15 appropriation.

R20 Community provider rate: The recommendation includes \$2.8 million (primarily General Fund) for a 2.7 percent community provider rate increase.

Annualize salary survey and merit pay increases: The recommendation reflects the allocation of FY 2014-15 salary increases totaling \$2.5 million to line items in that support employee salaries (primarily for the large number of staff employed by the mental health institutes).

R14 Institute equipment replacement: The recommendation includes a one-time appropriation of \$1.7 million General Fund for a variety of equipment replacements, repairs, and minor renovations at both mental health institutes.

Consolidate funding for Circle Program: The recommendation reflects the transfer of \$347,969 General Fund from the Executive Director's Office to the CMHIP subsection to consolidate funding for the Circle Program in a single line item. This recommendation is intended to simplify the appropriation of cash funds from the MTCF for the Circle Program.

R1 MHI treatment unit: The recommendation includes \$281,811 General Fund and 6.1 FTE to provide a full 12 months of funding for the new treatment unit at CMHIP for patients who were previously transferred to the Department of Corrections (DOC) for safety reasons.

R13 Circle program: The recommendation includes a one-time appropriation of \$225,000 General Fund to allow the Department to contract with a vendor to analyze the potential for the Circle program to operate as an autonomous program, separate from CMHIP.

Non-prioritized requested changes: The recommendation reflects a total of \$185,305 reappropriated funds transferred from DOC. This amount corresponds to two DOC budget requests that the Committee will consider on March 11, 2015:

- DOC R6: \$51,130 for an estimated 3.0 percent increase in the raw food costs incurred by the CMHIP to provide meal services to DOC facilities on the CMHIP campus; and
- DOC R7: \$134,175 for the DOC's share of building repair and maintenance, equipment replacement, and variable mileage expenses for facilities on the CMHIP campus.

Reverse supplemental: The recommendation includes an increase of \$93,890 General Fund to reverse the following mid-year changes to FY 2014-15 appropriations:

- Restore a mid-year reduction of \$1,388,163 General Fund due to delays in implementing community transition services;
- Eliminate a temporary \$795,194 General Fund increase in the appropriation for CMHIP pharmaceutical expenses; and
- Eliminate a one-time appropriation of \$499,079 General Fund for sanity evaluation expenses.

R15 Food inflation: The recommendation reflects \$28,128 General Fund for an estimated 3.0 percent increase in the raw food costs incurred by both mental health institutes. The Committee will consider a statewide common policy concerning food inflation on March 11, 2015, as part of the DOC figure setting discussion.

CMHIP educational programs: The recommendation shifts \$14,549 of the costs of providing educational services to youth at CMHIP from General Fund to reappropriated funds based on the amount of funding anticipated to be transferred from the Department of Education.

Allocation of marijuana tax revenues: The recommendation shifts the \$1,913,782 cost of the Circle Program from General Fund to a direct cash fund appropriation from the Marijuana Tax Cash Fund (MTCF), consistent with S.B. 14-215. The recommendation also makes the following changes to existing appropriations from the MTCF:

- Eliminates the \$1,500,000 appropriation for the provision of substance use disorder treatment services for adolescents and pregnant women; and
- Increases the appropriation for jail-based behavioral health services by \$2,787.

Annualize prior year budget actions: The recommendation includes adjustments related to the following prior year budget actions:

- FY 2014-15 budget request priority #11: Increase of \$149,909 General Fund and 3.2 FTE to purchase and implement a modern, comprehensive, and fully automated electronic health record system at the mental health institutes; and
- FY 2014-15 budget request priority #15: Reduction of \$540,000 General Fund (from \$750,000 to \$210,000) in the appropriation that provides state funding to support mental health first aid instructor and certification courses.

Tobacco Master Settlement revenue adjustment: The recommendation includes a \$259,329 cash funds reduction based on the Legislative Council Staff FY 2015-16 Tobacco Master Settlement revenue projection.

(8) Behavioral Health Services

The Department of Human Services' (DHS') 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. The Office contracts with 17 community mental health centers (CMHCs) across the state to provide mental health services that are not otherwise available. Each CMHC 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 CMHCs and MSOs, the Department also contracts with other organizations to provide specific types of services or services targeting specific populations.

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

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

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

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

The SAPT and CMHS block grants have associated state maintenance of effort (MOE) requirements. For both block grants, the State's annual MOE is calculated based on an average of the previous total reported MOE for the last two years. The State's MOE includes General Fund, cash funds, and reappropriated funds. The CMHS block grant allows the State's MOE to include both spending by the agency awarded the grant (*i.e.*, the Office of Behavioral Health) and other agency expenditures (*e.g.*, mental health-related expenditures by HCPF). For the SAPT block grant, the MOE may only include spending by the principle agency of a state for carrying out authorized activities. In addition, the SAPT block grant has three separate MOE requirements that apply to Colorado, including:

- Overall spending on substance use disorder services;
- Expenditures for women's services; and
- Expenditures for tuberculosis (activities that are currently performed by the Department of Public Health and Environment).

The Department indicates that the block grant MOE requirements will not impact the FY 2015-16 budget. Rather, the FY 2015-16 budget will likely impact the MOE requirements. Specifically, increases in state appropriations will increase the two-year average beginning with the report for federal fiscal year 2015-16. In addition, while a shift of state mental health expenditures from the DHS to HCPF will not have an impact on the CMHS block grant MOE, a shift of state substance use disorder service expenditures from DHS to HCPF (or any other state agency) may negatively impact the State's SAPT MOE due to the requirement that the funds must be expended in the grantee agency.

INITIATIVES THAT AFFECT MULTIPLE SUBSECTIONS

➔ R1 MHI treatment unit

Request: The Department requests \$2,614,238 General Fund for FY 2015-16 for 36.7 FTE and other costs associated with operating a new treatment unit at the Colorado Mental Health Institute at Pueblo (CMHIP). This unit is for patients previously transferred to the Department of Corrections (DOC) because such patients were determined to be too dangerous to be safely confined at the CMHIP.

Recommendation: Staff recommends appropriating a total of \$2,611,755 General Fund for FY 2015-16 for 36.7 FTE and associated operating expenses. The Committee recently approved a mid-year adjustment to FY 2014-15 appropriations to cover the costs of this unit for ten months. Staff's recommendation provides continuation funding for a full 12 months in FY 2015-16.

Analysis:

The Department of Human Services, in coordination with DOC and the Governor's Office, evaluated the practice of transferring patients who have not been criminally convicted or sentenced to a correctional facility. The Department determined that this practice is inappropriate, and ceased such transfers. The Department also decided to repurpose an existing eight-bed treatment unit within a 24-bed wing in the Robert L. Hawkins High Security Forensic

Institute building at CMHIP to house the CMHIP patients that had previously been transferred to DOC. There were six individuals on that unit who had to be moved, including two inmates who were returned to DOC and four patients who were relocated to other units at CMHIP. These moves occurred in June 2014.

Between September 23 and October 3, 2014, five patients (including four patients who are civil commitments and one who is a legal commitment of "not guilty by reason of insanity") were transferred from the DOC's San Carlos Correctional Facility back to CMHIP. These five patients had been transferred from CMHIP to DOC in 2007, 2008, 2010, and 2013. The new treatment unit has an enhanced staffing ratio as the patient population is highly acute, assaultive, and aggressive. The Department posted and filled the newly required positions from June to September of 2014.

The Department's request is based on a shift relief factor of 1.7. Thus, the request includes 5.1 FTE for each 1.0 FTE to provide 24/7 coverage:

- 20.4 FTE public safety officers (4.0 FTE per shift X 3 shifts X 1.7 relief factor = 20.4);
- 15.3 FTE nursing staff (3.0 FTE per shift X 3 shifts X 1.7 relief factor = 15.3);
- 1.0 FTE psychologist; and
- One half-time contract psychiatrist.

In addition, the request includes funding for shift differential for those staff working the swing (3:00 to 11:00 pm) and overnight (11:00 pm to 7:00 am) shifts. For more information about this request, please see the following documents:

- FY 2015-16 Staff Budget Briefing for the Department of Human Services (Behavioral Health Services Only) dated December 9, 2014, starting on page 11;
- Department of Human Services JBC hearing responses dated December 16, 2014, starting on page 4; and
- Supplemental Requests for FY 2013-14 and 2014-15 for the Department of Human Services (Behavioral Health Services Only) dated January 1, 2015, starting on page 4.

The following table details the funding that was previously approved for FY 2014-15 (these appropriations are included in S.B. 15-149), and staff's recommendation for FY 2015-16.

JBC Staff Figure Setting – FY 2015-16
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Summary of Recommendation for R1: Mental Health Institute Treatment Unit			
Description	FY 2014-15 Appropriation	FY 2015-16 Recommendation	Annual Change
<u>Executive Director's Office</u>			
<i>General Administration</i>			
Health, Life, and Dental	\$261,598	\$317,088	\$55,490
Short-term Disability	3,085	3,703	618
S.B. 04-257 AED	61,714	74,057	12,343
S.B. 06-235 SAED	59,610	71,531	11,921
Shift Differential	<u>96,152</u>	<u>115,383</u>	<u>19,231</u>
Subtotal	482,159	581,762	99,603
<u>Office of Operations</u>			
<i>Administration</i>			
Operating Expenses	186,048	2,961	(183,087)
<u>Office of Behavioral Health</u>			
<i>Mental Health Institutes, Mental Health Institute - Pueblo</i>			
Personal Services	1,650,772	1,993,152	342,380
FTE	30.6	36.7	6.1
Operating Expenses	<u>94,449</u>	<u>33,880</u>	<u>(60,569)</u>
Subtotal	1,745,221	2,027,032	281,811
Total General Fund	\$2,413,428	\$2,611,755	\$198,327
FTE	30.6	36.7	6.1

Staff's recommendation differs from the Department's request in the following ways:

- amounts for employee benefits are included in the corresponding centrally appropriated line items, rather than in the CMHIP Personal Services line item;
- the recommendation includes a reduction of \$2,483 to the CMHIP Personal Services line item to reflect the reduction in costs associated with providing legal counsel to patients subject to transfer; and
- the recommendation includes adjustments to shift \$5,058 among line items in the Office of Operations and CMHIP to correct errors in the request (these adjustments sum to zero).

➔ R20 Community provider rate

Request: The Department's request includes a total of \$914,451 (including \$891,840 General Fund) for a 1.0 percent provider rate increase for line items within the Behavioral Health Services section of the budget.

Recommendation: The recommendation includes a total of \$2,829,785 (including \$2,768,739 General Fund) for a 2.7 percent provider rate increase, consistent with Committee policy. Staff's recommendation is \$1,781,715 higher than the request due to the Committee's common policy. In addition, staff's recommendation includes an additional \$133,619 above the requested amount because the Department excluded the following items from its calculation:

- School-based Mental Health Services; and
- Portions of Personal Services appropriations for both mental health institutes that cover the costs of contract medical staff employed through an interagency agreement with the University of Colorado at Denver.

The Department agrees that these items should have been included in R20.

The following table details the recommendation by line item and fund source.

Summary of Recommendation for R20: Community Provider Rate (2.7%)					
Subsection/Line Item	Service Providers	Total Funds	General Fund	Cash Funds	Reappropriated Funds
(8) Behavioral Health Services					
<i>Mental Health Community Programs</i>					
Services for Indigent Mentally Ill Clients	Community Mental Health Centers	\$824,056	\$824,056	\$0	\$0
Medications for Indigent Mentally Ill Clients	Community Mental Health Centers	41,268	41,268	0	0
School-based Mental Health Services	Community Mental Health Centers	32,210	32,210	0	0
Assertive Community Treatment Programs	Community Mental Health Centers	36,426	18,213	18,213	0
Alternatives to Inpatient Hospitalization at a Mental Health Institute	Community Mental Health Centers	88,606	88,606	0	0
Mental Health Treatment Services for Youth (H.B. 99-1116)	Community Mental Health Centers	<u>20,677</u>	<u>17,395</u>	<u>0</u>	<u>3,282</u>
Subtotal		1,043,243	1,021,748	18,213	3,282
<i>Substance Use Treatment and Prevention</i>					
Treatment and Detoxification Contracts	Managed service organizations (MSOs) and local substance abuse treatment providers	320,045	320,045	0	0
Case Management for Chronic Detoxification Clients	Arapahoe House	69	69	0	0
Short-term Intensive Residential Remediation and Treatment (STIRRT)	Three local substance abuse treatment providers	83,535	83,535	0	0
High Risk Pregnant Women Program	Local substance abuse treatment providers	39,551	0	0	39,551
Prevention Contracts	Managed service organizations (MSOs) and local substance abuse treatment providers	931	931	0	0
Balance of Substance Abuse Block Grant Programs	Local substance abuse treatment and prevention providers	<u>5,250</u>	<u>5,250</u>	<u>0</u>	<u>0</u>
Subtotal		449,381	409,830	0	39,551
<i>Integrated Behavioral Health Services</i>					
Crisis Response System - Walk-in, Stabilization, Mobile, Residential, and Respite Services	Four consortiums of community mental health centers	609,356	609,356	0	0
Crisis Response System - Telephone Hotline	Metro Crisis Services, Inc.	63,608	63,608	0	0
Community Transition Services - Assertive Community Treatment Programs	Community Mental Health Centers	109,315	109,315	0	0
Community Transition Services - Money Follows the Individual/ Case Management	Behavioral Healthcare Inc. (behavioral health organization for Adams, Arapahoe, and Douglas counties)	136,670	136,670	0	0
Rural Co-occurring Disorder Services	Crossroads' Turning Point, Inc.	<u>13,838</u>	<u>13,838</u>	<u>0</u>	<u>0</u>
Subtotal		932,787	932,787	0	0

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Summary of Recommendation for R20: Community Provider Rate (2.7%)					
Subsection/Line Item	Service Providers	Total Funds	General Fund	Cash Funds	Reappropriated Funds
<i>Mental Health Institutes</i>					
<u>Mental Health Institute - Ft. Logan, Personal Services</u>					
Contract medical staff	Employees of CU Denver	88,908	88,908	0	0
Trauma informed care peer support specialists	Behavioral Healthcare Inc.	<u>3,282</u>	<u>3,282</u>	<u>0</u>	<u>0</u>
Sub-subtotal		92,190	92,190	0	0
<u>Mental Health Institute - Pueblo, Personal Services</u>					
Contract medical staff	Employees of CU Denver	233,796	233,796	0	0
Trauma informed care peer support specialists	Behavioral Healthcare Inc.	<u>6,665</u>	<u>6,665</u>	<u>0</u>	<u>0</u>
Sub-subtotal		240,461	240,461	0	0
<u>Mental Health Institute - Pueblo, Jail-based Restoration Program</u>					
	GEO Care, LLC	65,864	65,864	0	0
<u>Mental Health Institute - Pueblo, Circle Program</u>					
Contract medical staff	Employees of CU Denver	5,859	5,859	0	0
Subtotal		404,374	404,374	0	0
Total for Behavioral Health Services		\$2,829,785	\$2,768,739	\$18,213	\$42,833

In addition, the Committee has requested information about the nature of those service providers that are affected by the Committee's annual policy concerning changes in community provider rates. Staff has included in the above table a description of the service providers associated with each line item. In addition, staff has provided below information concerning providers' legal status and employee compensation.

Legal Status

The Department has indicated that all of the community providers are not-for-profit organizations, with two exceptions:

- GEO Care is a division of the GEO Group, an international publicly traded firm that provides correctional, detention, and community reentry services. GEO Care operates the Department's jail-based restoration program at the Arapahoe County Detention Facility for defendants who have been determined by the court to be incompetent to proceed in their criminal cases.
- The mental health institutes contract with the University of Colorado at Denver for staff physicians and mid-level medical professionals to provide on-site medical care to patients.

Employee Compensation

The Department has indicated that the majority of employees at behavioral health service providers work in positions that require a bachelor's degree at a minimum and are thus paid above the minimum wage. Many positions also require advanced certifications, such as psychologists and masters degree level and licensed therapists and case managers. One provider submitted the following salary and benefit costs for these three levels of employees:

- Entry level BA education: \$50,601
- Entry level MA education: \$65,933
- Entry level Licensed MA education: \$71,751

Based on data gathered by the Colorado Behavioral Healthcare Council (CBHC)¹, community mental health centers (CMHCs) have a small number of employees who are paid at or near the minimum wage. Among those CMHCs that reported, an average of four percent of employees were paid at or near the minimum wage, with percentages ranging from zero to 14 percent. The CBHC also indicated that no managed service organizations (MSOs) reported having any employees at or near the minimum wage.

¹ CBHC is a membership organization consisting of 27 individual behavioral healthcare entities, including the 17 Community Mental Health Centers, two specialty clinics (Asian Pacific Development Center and Servicios de la Raza), the four Managed Service Organizations, and the five Behavioral Health Organizations.

➔ NPI HCPF BA17 FMAP rate adjustment

Request: The Department of Health Care Policy and Financing (HCPF) submitted a budget amendment to adjust fund sources to reflect a recent change in Colorado's federal medical assistance percentage (FMAP). The Department of Human Services (DHS) submitted a corresponding non-prioritized request to adjust fund sources in the HCPF budget for programs that are administered by DHS.

Recommendation: Staff's recommendations (which are detailed at the end of this packet) reflect the correct fund splits for each line item appropriation in HCPF that corresponds to a line item in this section of the DHS budget. Specifically, for FY 2015-16, the General Fund share is 49.21 percent and the federal funds share is 50.79 percent.

➔ Allocation of Marijuana Tax Revenues

Background Information: Senate Bill 14-215 created the Marijuana Tax Cash Fund (MTCF), consisting of all sales tax moneys collected by the state from retail and medical marijuana. With respect to this department, the act specified that moneys in the MTCF may be used:

- to expand the provision of jail-based behavioral health services (JBBS) in underserved counties and to enhance the provision of JBBS to offenders transitioning from jail to the community to ensure continuity of care; and
- for the provision of substance use disorder treatment services for adolescents and pregnant women.

The act appropriated a total of \$3.5 million from the MTCF for FY 2014-15 for these two purposes. The Committee recently introduced legislation to reduce the appropriation for JBBS by \$452,787 (based on initial allocations made by the Department).

In addition, S.B. 14-215 maintained an existing practice of annually transferring \$2.0 million from marijuana tax revenues to the General Fund offset expenditures for two programs:

- (1) the Circle Program at the Colorado Mental Health Institute at Pueblo (CMHIP); and
- (2) the "Screening, Brief Intervention, and Referral for Treatment for substance abuse" (SBIRT) program, administered by the Department of Health Care Policy and Financing.

However, S.B. 14-215 eliminated these transfers starting in FY 2015-16. Instead, the act authorized the General Assembly to appropriate moneys from the MTCF to provide inpatient treatment for adults who suffer from co-occurring disorders at CMHIP (*i.e.*, the Circle Program). Thus, it was intended that starting in FY 2015-16, the Circle program would be supported by a direct appropriation from the MTCF.

JBC Staff Figure Setting – FY 2015-16
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Request: For FY 2015-16, the Department requests elimination of funding from the MTCF for JBBS and for substance use disorder treatment services for adolescents and pregnant women. Based on guidance provided by the Office of State Planning and Budgeting, the Department assumed that the \$2.0 million transfer from the MTCF to the General Fund would continue in FY 2015-16, and it did not request an appropriation from the MTCF for the Circle Program.

Recommendation: Staff recommends two appropriations from the MTCF totaling \$3,463,782 for FY 2015-16. The recommendation is \$1,463,782 higher than the total amount requested from the MTCF by the Department (including both appropriations and transfers to the General Fund). See the three relevant line items for more information about each program and the corresponding recommendations.

Recommendations Related to Marijuana Tax Revenues					
Description	FY 2014-15			FY 2015-16	
	S.B. 14-215	S.B. 15-167	Final	Request	Recommend.
Appropriations:					
<u>Substance Use Treatment and Prevention</u>					
Treatment and Detoxification Contracts (substance use disorder treatment services for adolescents and pregnant women)	\$1,500,000	1/	\$1,500,000	\$0	\$0
<u>Integrated Behavioral Health Services</u>					
Jail-based Behavioral Health Services	2,000,000	(452,787)	1,547,213	0	1,550,000
<u>Mental Health Institutes</u>					
CMHIP - Circle Program	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,913,782</u>
Total Appropriations	\$3,500,000	(\$452,787)	\$3,047,213	\$0	\$3,463,782
Transfers from the MTCF to the General Fund (for Circle Program)					
	2,000,000	0	2,000,000	2,000,000	0
Total Appropriations and Transfers from the MTCF					
	5,500,000	(452,787)	5,047,213	2,000,000	3,463,782

1/ Senate Bill 15-167 did not change this appropriation, but it clarified the purpose of the funding and it authorized the Department to spend the \$1.5 million over a two year period (through June 30, 2016).

LINE ITEM DETAIL – (8) BEHAVIORAL HEALTH SERVICES

(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 and Community Mental Health Services block grants, General Fund, and transfers from HCPF (originating as General Fund and federal Medicaid funds).

The following table summarizes staff recommendations for Community Behavioral Health Administration, which reflect salary increases that were awarded in FY 2014-15. Staff's recommendation is consistent with the request.

Community Behavioral Health Administration						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation						
HB 14-1336 (Long Bill)	<u>\$7,900,871</u>	<u>\$1,343,299</u>	<u>\$357,894</u>	<u>\$853,444</u>	<u>\$5,346,234</u>	<u>60.1</u>
TOTAL	\$7,900,871	\$1,343,299	\$357,894	\$853,444	\$5,346,234	60.1
FY 2015-16 Recommended Appropriation						
FY 2014-15 Appropriation	\$7,900,871	\$1,343,299	\$357,894	\$853,444	\$5,346,234	60.1
Annualize salary survey and merit pay increases	<u>159,975</u>	<u>101,852</u>	<u>0</u>	<u>24,909</u>	<u>33,214</u>	<u>0.0</u>
TOTAL	\$8,060,846	\$1,445,151	\$357,894	\$878,353	\$5,379,448	60.1
Increase/(Decrease)	\$159,975	\$101,852	\$0	\$24,909	\$33,214	0.0
Percentage Change	2.0%	7.6%	0.0%	2.9%	0.6%	0.0%
FY 2015-16 Executive Request						
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

Personal Services

This line item provides funding for 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. The table below summarizes the employees funded by this line item.

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Staffing Summary	FY 2013-14	FY 2014-15	FY 2015-16	
Community Behavioral Health Administration	Actual	Appropriation	Request	Recomm.
Administrative Support	8.4	9.5	9.5	9.5
Child, Adolescent and Family Programs	0.8	1.0	1.0	1.0
Community Treatment & Recovery Programs	4.1	4.5	4.5	4.5
Contract and Finance	5.8	7.6	7.6	7.6
Data and Evaluation	5.5	7.8	7.8	7.8
Management	2.2	3.4	3.4	3.4
Prevention Programs	3.3	3.1	3.1	3.1
Quality Assurance and Standards	17.5	19.5	19.5	19.5
Trauma Informed and Integrated Care	<u>1.9</u>	<u>2.2</u>	<u>2.2</u>	<u>2.2</u>
TOTAL	49.5	58.6	58.6	58.6

Request: The Department requests \$4,931,808 total funds (including \$1,425,472 General Fund) and 58.6 FTE.

Recommendation: Staff recommends approving the request. The recommended increase simply reflects the allocation of salary increases that were awarded in FY 2014-15.

Operating Expenses

This appropriation supports operating expenditures for the Office of Behavioral Health.

Request: The Department requests \$290,180 (including \$19,679 General Fund).

Recommendation: Staff recommends approving the request, which is the same as the appropriation for FY 2014-15.

Federal Programs and Grants

This line item reflects a variety of federal discretionary mental health grants that are administered by the Office of Behavioral Health. Beginning in FY 2014-15, this line item also includes federal discretionary substance use prevention and treatment grants that are administered by the Office of Behavioral Health. Prior to FY 2014-15 this funding was reflected in a line item titled "Other Federal Grants".

Request: The Department requests \$2,567,997 federal funds and 1.5 FTE.

Recommendation: Staff recommends approving the request, which is the same as the appropriation for FY 2014-15.

Other Federal Grants

This line item reflected a variety of federal discretionary substance use prevention and treatment grants that are administered by the Office of Behavioral Health. Starting in FY 2014-15, it was combined with the above line item to consolidate grant funding for mental health and substance use prevention and treatment services.

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.

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

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

(B) MENTAL HEALTH COMMUNITY PROGRAMS

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

The following table summarizes staff recommendations for Mental Health Community Programs. Overall staff's recommendations for this section are \$4,619,350 total funds higher than the request due to the following:

- Staff's recommendation for this section is \$4,158,026 General Fund higher than the request due to staff's recommendation to transfer funds from the Integrated Behavioral Health Services section to this section to consolidate funding for ACT services.
- Staff's recommendation for provider rates is \$668,784 total funds higher than the request due to the Committee's policy concerning provider rates, and the fact that the Department's request excluded funding for a rate increase associated with school-based mental health services.
- Staff's recommendation for mental health services for juvenile and adult offenders is \$207,460 cash funds lower than the request due to the Committee's previous action on tobacco-funded programs.

*JBC Staff Figure Setting – FY 2015-16
Staff Working Document – Does Not Represent Committee Decision*

Mental Health Community Programs						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation						
HB 14-1336 (Long Bill)	\$49,352,996	\$38,592,553	\$4,243,407	\$283,467	\$6,233,569	0.0
TOTAL	\$49,352,996	\$38,592,553	\$4,243,407	\$283,467	\$6,233,569	0.0
FY 2015-16 Recommended Appropriation						
FY 2014-15 Appropriation	\$49,352,996	\$38,592,553	\$4,243,407	\$283,467	\$6,233,569	0.0
Consolidate ACT funding	4,158,026	4,158,026	0	0	0	0.0
R20 Community provider rate	1,043,243	1,021,748	18,213	3,282	0	0.0
Annualize prior year budget actions	(540,000)	(540,000)	0	0	0	0.0
Tobacco Master Settlement revenue adjustment	(207,460)	0	(207,460)	0	0	0.0
TOTAL	\$53,806,805	\$43,232,327	\$4,054,160	\$286,749	\$6,233,569	0.0
Increase/(Decrease)	\$4,453,809	\$4,639,774	(\$189,247)	\$3,282	\$0	0.0
Percentage Change	9.0%	12.0%	(4.5%)	1.2%	0.0%	0.0%
FY 2015-16 Executive Request						
Request Above/(Below)	\$49,187,455	\$38,419,050	\$4,250,153	\$284,683	\$6,233,569	0.0
Recommendation	(\$4,619,350)	(\$4,813,277)	\$195,993	(\$2,066)	\$0	0.0

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 (CMHCs) across the state to provide mental health services that are not otherwise available. Each CMHC is responsible for providing a set of core services including: assessment; rehabilitation; emergency services; clinical treatment services; residential services; inpatient services; vocational services; psychiatric/medication management; interagency consultation; public education; consumer advocacy and family support; case management; and day treatment, home-based family support, and/or residential support services. Each CMHC 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. If a CMHC 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 CMHC 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 2014-15, funding sources include the following:

- General Fund (\$30,520,602);
- the federal CMHS block grant (\$5,459,809);
- the federal Projects for Assistance in Transition from Homelessness (PATH) grant (\$773,760); and
- reappropriated funds transferred from the Department's Division of Vocational Rehabilitation (\$161,909).

Request: The Department requests \$37,221,286 (including \$30,825,808). The request includes an increase of \$305,206 for a 1.0 percent provider rate increase applied to the continuation level of General Fund.

Recommendation: Staff recommends appropriating \$37,740,136 (including \$31,344,658 General Fund). Staff's recommendation includes an increase of \$824,056 General Fund for a 2.7 percent community provider rate increase, consistent with Committee policy. Staff's recommendation is \$518,850 higher than the request due to the Committee's community provider rate policy.

Medications for Indigent Mentally Ill Clients

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

Request: The Department requests \$1,543,738 General Fund. The request includes an increase of \$15,285 for a 1.0 percent provider rate increase applied to the continuation level of General Fund.

Recommendation: Staff recommends appropriating \$1,569,721 General Fund. Staff's recommendation includes an increase of \$41,268 General Fund for a 2.7 percent community provider rate increase, consistent with Committee policy. Staff's recommendation is \$25,983 higher than the request due to the Committee's community provider rate policy.

School-based Mental Health Services

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 CMHCs 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 CMHC 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, this line item was transferred back to this section of the budget.

Request: The Department requests \$1,192,973 General Fund, which is the same as the FY 2014-15 appropriation.

Recommendation: Staff recommends appropriating \$1,225,183 General Fund. Staff's recommendation includes an increase of \$32,210 General Fund for a 2.7 percent community provider rate increase, consistent with Committee policy. Staff's recommendation is \$32,210 higher

than the request because the Department's request excluded a rate increase for this line item. The Department agrees, however, that this line item should have been included in R20.

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 CMHCs: Mental Health Partners (Boulder); Mental Health Center of Denver; and the San Luis Valley Mental Health Center. For FY 2014-15, this line item is supported by General Fund (\$674,557) and local matching funds (\$674,557).

Request: The Department requests \$1,362,606 (including \$681,303 General Fund). The request includes an increase of \$13,492 for a 1.0 percent provider rate increase (R20).

Recommendation: Staff recommends appropriating \$5,543,566 (including \$4,850,796 General Fund and \$692,770 local matching funds). Staff's recommendation includes an increase of \$36,426 (including \$18,213 General Fund and \$18,213 local matching funds) for a 2.7 percent provider rate increase, consistent with Committee policy. Staff's recommendation is \$22,934 higher than the request due to the Committee's community provider rate policy.

In addition, staff's recommendation reflects the transfer of \$4,158,026 from the Community Transition Services line item appropriation in the Integrated Behavioral Health Services subsection. As described below for that line item, this recommendation consolidates funding for ACT services in this line item.

Alternatives to Inpatient Hospitalization at a Mental Health Institute

The line item funds alternative placements for individuals who would otherwise require hospitalization at one of the mental health institutes. Funding is allocated among CMHCS to provide the following types of services: residential treatment; 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).

Request: The Department requests \$3,314,515 General Fund. The request includes an increase of \$32,817 for a 1.0 percent provider rate increase (R20).

Recommendation: Staff recommends appropriating \$3,370,304 General Fund. Staff's recommendation includes an increase of \$88,606 General Fund for a 2.7 percent provider rate increase, consistent with Committee policy. Staff's recommendation is \$55,789 higher than the request due to the Committee's community provider rate policy.

Mental Health Services for Juvenile and Adult Offenders

The line item supports the purchase of mental health services from CMHCs for juvenile and adult offenders who have mental health problems and are involved in the criminal justice system². Eleven of the 17 CMHCs have designed and implemented programs (called "S.B. 07-097 programs" based on the authorizing legislation). These funds are used for staff who provide case management and treatment services, wrap-around services, medications, and treatment services that are not covered by Medicaid. This line item is supported by tobacco litigation settlement moneys that are annually transferred to the Offender Mental Health Services Fund³.

Request: The Department requests a continuation level of funding (\$3,268,850 cash funds).

Recommendation: Staff recommends appropriating \$3,061,390 cash funds, consistent with previous Committee action on tobacco settlement-funded programs.

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

The Child Mental Health Treatment Act⁴ (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 CMHC. Each CMHC has a designated CMHTA liaison. The CMHC 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

² See Section 27-66-104 (4), C.R.S.

³ See Section 24-75-1104.5 (1.5) (a) (II), C.R.S.

⁴ See Section 27-67-101 *et seq.*, C.R.S.

are covered by parental fees and CMHTA funds. Beyond the first 30 days, for a child placed in a residential child care facility (RCCF), expenses are covered by parental fees, SSI benefits, and CMHTA funds; for a child placed in a psychiatric residential treatment facility (PRTF), 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, tobacco settlement moneys⁵, and transfers from HCPF (which originate as General Fund and federal Medicaid funds). Expenditures for services covered by this line item are subject to available appropriations. The General Fund and tobacco settlement moneys in this line item cover any costs that are not covered by private insurance, SSI, Medicaid, or parent payments. Tobacco settlement moneys are spent first, and the General Fund is used to cover any remaining expenditures.

Request: The Department requests \$1,073,487 (including \$650,713 General Fund). The request includes an increase of \$7,659 for a 1.0 percent provider rate increase (R20).

Recommendation: Staff recommends appropriating \$1,086,505 (including \$661,665 General Fund, \$300,000 cash funds from tobacco settlement moneys, and \$124,840 reappropriated funds transferred from HCPF). Staff's recommendation includes an increase of \$20,677 total funds for a 2.7 percent provider rate increase, consistent with Committee policy. Staff's recommendation is \$13,018 higher than the request due to the Committee's community provider rate policy.

Mental Health First Aid

This line item, first added through H.B. 14-1238 (the FY 2013-14 supplemental bill for the Department of Human Services) provides state funding to support Mental Health First Aid (MHFA)⁶, 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.

Request: The Department requests \$210,000 General Fund, which represents a reduction of \$540,000 General Fund compared to the FY 2014-15 appropriation. This reduction is consistent with the plan submitted last year through R15 (Mental health first aid).

Recommendation: Staff recommends approving the request. The \$750,000 appropriation for FY 2014-15 includes:

⁵ Pursuant to Section 24-75-1104.5 (1) (k), C.R.S., \$300,000 shall be appropriated, as provided in Section 27-67-106, C.R.S., to fund the State's share of the annual funding required for the "Child Mental Health Treatment Act".

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

- \$210,000 to cover the cost of six instructor courses (which is anticipated to train an additional 180 instructors); and
- \$540,000 to cover the cost of 270 certification courses (which is anticipated to cover the costs for 6,750 individuals to be certified).

The ongoing funding of \$210,000 requested for FY 2015-16 is 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. It is anticipated that alternative funding sources (federal funds, local funds, payments from course participants) would be used to support certification courses in FY 2015-16 and subsequent fiscal years.

(C) SUBSTANCE USE TREATMENT AND PREVENTION

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

The following table summarizes staff recommendations for Substance Use Treatment and Prevention. Overall staff's recommendations for this section are \$231,075 total funds higher than the request due to the following:

- Staff's recommendation for provider rates is \$282,944 total funds higher than the request due to the Committee's policy concerning provider rates.
- Staff's recommendation for community prevention and treatment is \$51,869 cash funds lower than the request due to the Committee's previous action on tobacco-funded programs.

JBC Staff Figure Setting – FY 2015-16
Staff Working Document – Does Not Represent Committee Decision

Substance Use Treatment and Prevention						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation						
HB 14-1336 (Long Bill)	\$45,590,804	\$15,178,862	\$3,702,573	\$3,057,495	\$23,651,874	0.0
Other legislation	<u>1,538,250</u>	<u>0</u>	<u>1,538,250</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$47,129,054	\$15,178,862	\$5,240,823	\$3,057,495	\$23,651,874	0.0
FY 2015-16 Recommended Appropriation						
FY 2014-15 Appropriation	\$47,129,054	\$15,178,862	\$5,240,823	\$3,057,495	\$23,651,874	0.0
R20 Community provider rate	449,381	409,830	0	39,551	0	0.0
Allocation of marijuana tax revenues	(1,500,000)	0	(1,500,000)	0	0	0.0
Tobacco Master Settlement revenue adjustment	<u>(51,869)</u>	<u>0</u>	<u>(51,869)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$46,026,566	\$15,588,692	\$3,688,954	\$3,097,046	\$23,651,874	0.0
Increase/(Decrease)	(\$1,102,488)	\$409,830	(\$1,551,869)	\$39,551	\$0	0.0
Percentage Change	(2.3%)	2.7%	(29.6%)	1.3%	0.0%	0.0%
FY 2015-16 Executive Request						
Request Above/(Below)	\$45,795,491	\$15,330,650	\$3,740,823	\$3,072,144	\$23,651,874	0.0
Recommendation	(\$231,075)	(\$258,042)	\$51,869	(\$24,902)	\$0	0.0

(1) Treatment Services

Treatment and Detoxification Contracts

This line item supports contracts for the provision of treatment and detoxification services for low income individuals who are not eligible for Medicaid. 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: detoxification; 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 2014-15, funding sources include the following:

- General Fund (\$11,853,051);
- the federal Substance Abuse Prevention and Treatment Block Grant (\$10,347,947);
- the Marijuana Tax Cash Fund (MTCF) (\$1,500,000);
- 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).

Request: The Department requests \$23.7 million (including \$11.9 million General Fund). The request includes:

- an increase of \$118,535 General Fund for a 1.0 percent provider rate increase (R20) applied to the General Fund portion of the appropriation; and
- the elimination of the \$1.5 million cash funds appropriation from the MTCF.

Recommendation: As detailed in the following table, staff recommends appropriating \$23.9 million total funds. Staff's recommendation is higher than the request due to the Committee's community provider rate policy.

JBC Staff Figure Setting – FY 2015-16
Staff Working Document – Does Not Represent Committee Decision

Behavioral Health Services, Substance Use Treatment and Prevention, Treatment and Detoxification Contracts						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation						
HB 14-1336 (Long Bill)	\$23,597,364	\$11,853,511	\$331,218	\$1,064,688	\$10,347,947	0.0
Other legislation	<u>1,528,687</u>	<u>0</u>	<u>1,528,687</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$25,126,051	\$11,853,511	\$1,859,905	\$1,064,688	\$10,347,947	0.0
FY 2015-16 Recommended Appropriation						
FY 2014-15 Appropriation	\$25,126,051	\$11,853,511	\$1,859,905	\$1,064,688	\$10,347,947	0.0
R20 Community provider rate	320,045	320,045	0	0	0	0.0
Allocation of marijuana tax revenues	<u>(1,500,000)</u>	<u>0</u>	<u>(1,500,000)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$23,946,096	\$12,173,556	\$359,905	\$1,064,688	\$10,347,947	0.0
Increase/(Decrease)	(\$1,179,955)	\$320,045	(\$1,500,000)	\$0	\$0	0.0
Percentage Change	(4.7%)	2.7%	(80.6%)	0.0%	0.0%	0.0%
FY 2015-16 Executive Request:	\$23,744,586	\$11,972,046	\$359,905	\$1,064,688	\$10,347,947	0.0
Request Above/(Below)						
Recommendation	(\$201,510)	(\$201,510)	\$0	\$0	\$0	0.0

R20 Community provider rate. The recommendation includes \$320,045 General Fund for a 2.7 percent provider rate increase applied to the General Fund portion of the appropriation, consistent with Committee policy.

Allocation of marijuana tax revenues. Consistent with the Department's request, the recommendation reflects the elimination of \$1.5 million cash funds from the MTCF for substance use disorder treatment services for adolescents and pregnant women. The Committee recently learned that very little of the FY 2014-15 appropriation has been spent to date (less than \$500 as of February 3, 2015). The Committee made two changes in S.B. 15-167 to facilitate expenditure of this appropriation:

- clarifying that the funding is intended for substance use disorder treatment *and prevention* services for adolescents and pregnant women, *including but not limited to intensive wrap around services*; and
- authorizing the Department to spend the \$1.5 million over a two year period (through June 30, 2016).

This funding may be used to reimburse providers for services that are not covered by Medicaid or private insurance. Staff is not recommending appropriating any additional moneys from the MTCF for FY 2015-16 for two primary reasons:

- It appears likely that a substantial portion of the \$1.5 million that was appropriated for FY 2014-15 will be available for expenditures in FY 2015-16.
- Given the recent expansion in both the number of individuals eligible for Medicaid and the substance use disorder services that are covered by Medicaid, it is not clear whether there is a need for additional state funding to meet the needs of these two populations (or if there is, what amount of funding is necessary).

The Committee can reconsider whether to provide additional state funding for these services for FY 2016-17. At that time, more information should be available concerning any gaps in service coverage for these two populations.

Case Management for Chronic Detoxification Clients

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. In FY 2012-13, PROUD served 182 clients. PROUD services are generally provided for three to 12 months, depending on individual needs. For FY 2014-15, this line item is supported by the federal Substance Abuse Prevention and Treatment block grant (\$366,883) and the General Fund (\$2,538).

Request: The Department requests \$369,446 (including \$2,563 General Fund). The request includes an increase of \$25 for a 1.0 percent provider rate increase (R20) applied to the General Fund portion of the appropriation.

Recommendation: Staff recommends appropriating \$369,490, including \$2,607 General Fund. Staff's recommendation includes an increase of \$69 for a 2.7 percent provider rate increase applied to the General Fund portion of the appropriation, consistent with Committee policy. Staff's recommendation is \$44 higher than the request due to the Committee's community provider rate policy.

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 (57.5 percent in FY 2012-13), the Department of Corrections/parole (33.5 percent), and community corrections (7.3 percent).

The Department contracts with three providers to operate STIRRT Programs. In FY 2012-13, STIRRT served 1,611 clients. For FY 2014-15, this line item is supported General Fund (\$3,093,893) and reappropriated funds transferred from the Judicial Department from moneys available in the Correctional Treatment Cash Fund (\$427,946).

Request: The Department requests \$3,552,778 (including \$3,124,832 General Fund and \$427,946 reappropriated funds). The request includes an increase of \$30,939 for a 1.0 percent provider rate increase (R20) applied to the General Fund portion of the appropriation.

Recommendation: Staff recommends appropriating \$3,605,374 total funds (including \$3,177,428 General Fund and \$427,946 reappropriated funds). The recommendation includes \$83,535 General Fund for a 2.7 percent provider rate increase applied to the General Fund portion of the appropriation, consistent with Committee policy. Staff's recommendation is \$52,596 higher than the request due to the Committee's community provider rate policy.

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).

Request: The Department requests \$1,479,510 reappropriated funds. The request includes an increase of \$14,649 for a 1.0 percent provider rate increase (R20).

Recommendation: Staff recommends appropriating \$1,504,412 reappropriated funds. The recommendation includes an increase of \$39,551 for a 2.7 percent provider rate increase, consistent with Committee policy. Staff's recommendation is \$24,902 higher than the request due to the Committee's community provider rate policy.

(2) Prevention and Intervention

Prevention Contracts

This line item provides funding for prevention programs to 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 2014-15, funding sources include:

- the federal Substance Abuse Prevention and Treatment Block Grant (\$3,826,230);
- General Fund (\$34,490);
- the Adolescent Substance Abuse Prevention and Treatment Fund (\$96,635); and
- the Tobacco Use Prevention Fund (\$25,000).

Request: The Department requests \$3,982,700 total funds (including \$34,835 General Fund). The request includes an increase of \$345 General Fund for a 1.0 percent provider rate increase (R20).

Recommendation: Staff recommends appropriating \$3,983,286 (including: \$35,421 General Fund, \$121,635 cash funds, and \$3,826,230 federal funds). The recommendation includes an increase of \$931 General Fund for a 2.7 percent provider rate increase, consistent with Committee policy. Staff's recommendation is \$586 higher than the request due to the Committee's community provider rate policy.

Please note that the recommendation includes continuation of an \$85,000 temporary increase in two cash fund appropriations to allow the Department to spend down excess cash fund balances and make these moneys available for the intended purposes.

- The *Adolescent Substance Abuse Prevention and Treatment Fund* consists of fines related to underage possession or consumption of alcohol. Moneys in the fund are to be used for adolescent substance abuse prevention and treatment programs⁷. This fund had a balance of \$218,521 on July 1, 2013. Last year staff recommended increasing the appropriation from this fund by \$65,000 for each of the next three fiscal years (FY 2014-15 through FY 2016-17) to reduce the fund balance by \$195,000. The Department indicated that it would use the additional moneys to expand services (temporarily) beyond the current service areas.
- The *Tobacco Use Prevention Fund* consists of fines levied on retail vendors for selling tobacco products to minors. Moneys in the fund are to be used for programs "designed to develop training materials for retailers related to the prohibition of the sale of cigarettes and tobacco products to minors or to prevent the use of cigarettes and tobacco products by minors"⁸. This fund had a balance of \$44,582 on July 1, 2013. Last year, staff recommended increasing the appropriation from this fund by \$20,000 in both FY 2014-15 and FY 2015-16 to reduce the fund balance by \$40,000. The Department indicated that based on the limited annual revenues to this fund and the \$5,000 annual appropriation, it has been difficult to develop any type of legitimate campaign as contemplated by statute. The Department indicated that it would use the additional funds to develop a training campaign and materials for retailers.

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.

Pursuant to Section 42-3-303, C.R.S., 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.

⁷ See Section 18-13-122 (16) (b), C.R.S.

⁸ See Section 24-35-507, C.R.S.

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

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

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

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

Law Enforcement Assistance Fund Contracts

The Law Enforcement Assistance Fund (LEAF) consists of revenues from a \$75 surcharge on drunk and drugged driving convictions to help pay for enforcement, laboratory charges, and prevention programs. The Office of Behavioral Health annually receives 20 percent of LEAF revenues that are available after appropriations are made to the Department of Public Health and Environment (for evidential breath alcohol testing and implied consent specialists) and to the Department of Public Safety's Colorado Bureau of Investigation (for toxicology laboratory services)⁹. 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:

⁹ See Sections 43-4-402 (2) (a) and 43-4-404 (3), C.R.S.

- 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.

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

Recommendation: Staff recommends approving the request.

(3) Other Programs

Federal Grants

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

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

Recommendation: Staff recommends approving the request.

Balance of Substance Abuse Block Grant Programs

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).

Request: The Department requests \$6,681,766 (including \$196,374 General Fund). The request includes an increase of \$1,944 General Fund for a 1.0 percent provider rate increase (R20).

Recommendation: Staff recommends appropriating \$6,685,072 (including \$199,680 General Fund and \$6,485,392 federal funds from the Substance Abuse Prevention and Treatment block grant). Staff's recommendation includes an increase of \$5,250 General Fund for a 2.7 percent provider rate increase, consistent with Committee policy. Staff's recommendation is \$3,306 higher than the request due to the Committee's community provider rate policy.

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 is supported by tobacco settlement moneys that are annually transferred to the Alcohol and Drug Abuse Community Prevention and Treatment Fund¹⁰.

Request: The Department requests a continuation level of funding (\$817,217 cash funds).

Recommendation: Staff recommends appropriating \$765,348 cash funds from the Alcohol and Drug Abuse Community Prevention and Treatment Fund, consistent with the Committee's previous action on tobacco-funded programs.

Rural Substance Abuse Prevention and Treatment

House Bill 09-1119 (Vigil/Schwartz) created the Rural Alcohol and Substance Abuse Prevention and Treatment Program¹¹. It consists of the Rural Youth Alcohol and Substance Abuse Prevention and Treatment Project and the Rural Detoxification Project. The former provides prevention and treatment services to children ages eight to 17 in rural areas. The latter provides treatment services to alcohol- and drug-addicted persons in rural areas. Rural area is defined as a county with a population of less than 30,000.

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 (UDD). Penalty surcharges are also established for other alcohol or drug-related offenses upon conviction or a deferred sentence. The minimum penalty surcharge is \$1 and the maximum is \$10. Surcharge revenue is credited to the Rural Alcohol and Substance Abuse Cash Fund. The fund and the program sunset on July 1, 2016.

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

Recommendation: Staff recommends approving the request. Please note that the recommendation includes continuation of a \$62,800 temporary increase in the appropriation from the Rural Alcohol and Substance Abuse Cash Fund to spend down the excess cash fund balance and make these moneys available for the intended purposes. This fund had a balance of \$140,193 on July 1, 2013. Last year, 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.

¹⁰ See Sections 24-75-1104.5 (1.5) (a) (VIII) (A) and 27-80-106, C.R.S.

¹¹ See Section 27-80-117, C.R.S.

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 Fund¹². 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 public or private entities and programs that provide gambling addiction counseling services; to addiction counselors who are actively pursuing national accreditation as gambling addiction counselors; and for associated administrative expenses¹³. Pursuant to S.B. 13-173, the repeal date for this program has been extended to September 1, 2022.

Request: The Department requests a continuation level of funding (\$100,000 cash funds).

Recommendation: Staff recommends approving the request.

(D) INTEGRATED BEHAVIORAL HEALTH SERVICES

This section provides funding for: 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; a behavioral health crisis response system; 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, transfers from the Judicial Branch (originating as General Fund and drug offender surcharge revenues), and cash funds from the Marijuana Tax Cash Fund (MTCF).

The following table summarizes staff recommendations for Integrated Behavioral Health Services. Overall staff's recommendations for this section are \$2,035,716 total funds lower than the request due to the following:

- Staff's recommendation includes continuation funding (\$1,550,000) from the MTCF for jail-based behavioral health services. The request eliminates this funding.
- Staff's recommendation for provider rates is \$572,310 total funds higher than the request due to the Committee's policy concerning provider rates.
- Staff's recommendation for this section is \$4,158,026 General Fund lower than the request due to staff's recommendation to transfer funds from this section to the Mental Health Community Programs subsection to consolidate funding for ACT services.

¹² See Sections 12-47.1-1601 (1) (a) and 12-47.1-701 (2) (a) (III), C.R.S.

¹³ See Section 12-47.1-1601 (4) (a.5) (I), C.R.S.

*JBC Staff Figure Setting – FY 2015-16
Staff Working Document – Does Not Represent Committee Decision*

Integrated Behavioral Health Services					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	FTE
FY 2014-15 Appropriation					
HB 14-1336 (Long Bill)	\$38,741,189	\$35,162,667	\$0	\$3,578,522	0.0
Other legislation (S.B. 14-215)	2,000,000	0	2,000,000	0	0.0
Supplemental package bill changes	(452,787)	0	(452,787)	0	0.0
Supplemental bill (S.B. 15-149)	<u>(1,388,163)</u>	<u>(1,388,163)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$38,900,239	\$33,774,504	\$1,547,213	\$3,578,522	0.0
FY 2015-16 Recommended Appropriation					
FY 2014-15 Appropriation	\$38,900,239	\$33,774,504	\$1,547,213	\$3,578,522	0.0
Reverse supplemental	1,388,163	1,388,163	0	0	0.0
R20 Community provider rate	917,787	917,787	0	0	0.0
Allocation of marijuana tax revenues	2,787	0	2,787	0	0.0
Consolidate ACT funding	<u>(4,158,026)</u>	<u>(4,158,026)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$37,050,950	\$31,922,428	\$1,550,000	\$3,578,522	0.0
Increase/(Decrease)	(\$1,849,289)	(\$1,852,076)	\$2,787	\$0	0.0
Percentage Change	(4.8%)	(5.5%)	0.2%	0.0%	0.0%
FY 2015-16 Executive Request					
Request Above/(Below)	\$39,086,666	\$35,508,144	\$0	\$3,578,522	0.0
Recommendation	\$2,035,716	\$3,585,716	(\$1,550,000)	\$0	0.0

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 emergency¹⁴, including:

- 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

¹⁴ See Section 27-60-103, C.R.S.

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.

Request: The Department requests \$22,794,428 General Fund. The request includes an increase of \$225,687 General Fund for a 1.0 percent provider rate increase (R20).

Recommendation: Staff recommends appropriating \$23,178,097 General Fund. The recommendation includes an increase of \$609,356 General Fund for a 2.7 percent provider rate increase, consistent with Committee policy. Staff's recommendation is \$383,669 higher than the request due to the Committee's community provider rate policy.

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.

Request: The Department requests \$2,379,424 General Fund. The request includes an increase of \$23,559 General Fund for a 1.0 percent provider rate increase (R20).

Recommendation: Staff recommends appropriating \$2,419,473 General Fund. The recommendation includes an increase of \$63,608 General Fund for a 2.7 percent provider rate increase, consistent with Committee policy. Staff's recommendation is \$40,049 higher than the request due to the Committee's community provider rate policy.

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.

Request: The Department requests \$615,000 General Fund, which is the same as the existing FY 2014-15 appropriation.

Recommendation: Staff recommends appropriating of \$600,000 General Fund. The Department's initial contract provided \$600,000 for FY 2013-14 and \$600,000 for FY 2014-15. The FY 2014-15 appropriation included an increase of \$15,000 based on the Committee's common policy related to provider rates. However, the Department has indicated that the services supported by this line item

should not fall under the community provider rate increase. Thus, staff recommends reducing the appropriation to the existing contract level of \$600,000 for FY 2015-16.

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 to the community. The initial FY 2014-15 appropriation for this line item (\$9,110,561) included two components:

- *\$4,048,711 General Fund for Assertive Community Treatment (ACT):* As described earlier in this packet, 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 that provides the treatment, rehabilitation, and support services that adults with serious mental illness need to live successfully in the community. ACT teams provide services in a way that emphasizes outreach, relationship building, individualization of services, and recovery.
- *\$5,061,850 General Fund for "Money Follows the Individual":* The Department recently 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 agencies¹⁵ 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 payor 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.

Request: The Department requests \$9,201,677 General Fund. The request includes the restoration of a mid-year reduction that was made due to implementation delays (\$1,388,163), and an increase of \$91,106 General Fund for a 1.0 percent provider rate increase (R20).

Recommendation: As detailed in the following table, staff recommends appropriating \$9,356,546 General Fund. The recommendation includes restoration of the temporary \$1,388,163 mid-year reduction, and an increase of \$245,985 General Fund for a 2.7 percent provider rate increase, consistent with Committee policy. The rate increase includes \$109,315 for Assertive Community Treatment Programs and \$136,670 for Money Follows the Individual. Staff's recommendation is \$154,879 higher than the request due to the Committee's community provider rate policy.

¹⁵ 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.

*JBC Staff Figure Setting – FY 2015-16
Staff Working Document – Does Not Represent Committee Decision*

Behavioral Health Services, Integrated Behavioral Health Services, Community Transition Services			
	Total Funds	General Fund	FTE
FY 2014-15 Appropriation			
HB 14-1336 (Long Bill)	\$9,110,561	\$9,110,561	0.0
Supplemental bill (S.B. 15-149)	<u>(1,388,163)</u>	<u>(1,388,163)</u>	<u>0.0</u>
TOTAL	\$7,722,398	\$7,722,398	0.0
FY 2015-16 Recommended Appropriation			
FY 2014-15 Appropriation	\$7,722,398	\$7,722,398	0.0
Reverse supplemental	1,388,163	1,388,163	0.0
R20 Community provider rate	<u>245,985</u>	<u>245,985</u>	<u>0.0</u>
TOTAL	\$9,356,546	\$9,356,546	0.0
Increase/(Decrease)	\$1,634,148	\$1,634,148	0.0
Percentage Change	21.2%	21.2%	0.0%
FY 2015-16 Executive Request:			
Request Above/(Below)	\$9,201,667	\$9,201,667	0.0
Recommendation	(\$154,879)	(\$154,879)	0.0

In addition, staff recommends transferring the ACT portion of the recommended appropriation (\$4,158,026 General Fund) to the Mental Health Community Programs subsection of the budget so that all funding for ACT programs appears in a single line item. The remaining \$5,198,520 in this line item will support the community transition services provided by BHI.

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 currently supported by:

- \$3,578,522 reappropriated funds transferred from the Judicial Department from moneys available in the Correctional Treatment Cash Fund (CTCF); and
- \$1,547,213 cash funds from the Marijuana Tax Cash Fund (MTCF).

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

JBC Staff Figure Setting – FY 2015-16
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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.

In FY 2013-14, a total of 35 county sheriff departments operated JBBS programs (either individually or in partnership with neighboring county sheriffs). The following table lists the program start date for each of these counties, along with the community providers utilized in each county or group of counties.

Jail-based Behavioral Health Services (JBBS)		
County Sheriff	Start Date	Providers
Alamosa (partnering with Conejos county)	Alamosa - July 2011 Conejos - July 2013	San Luis Valley Mental Health Center
Adams	July 2013	Community Reach Center
Arapahoe	July 2011	Arapahoe Douglas Mental Health Network Aurora Mental Health Center
Boulder	July 2011	Mental Health Partners Intervention Addiction Recovery Center
Delta (partnering with Ouray, Gunnison, Hinsdale, Montrose and San Miguel counties)	July 2011	Midwestern Colorado Mental Health Center
Denver	July 2011	Behavioral Interventions, Inc The Council (Mile High Council on Substance Abuse & Mental Health) Empowerment
Douglas	July 2013	Arapahoe Douglas Mental Health Network
El Paso	July 2011	El Paso County Jail
Jefferson	Dec. 2011	Jefferson Center for Mental Health Arapahoe House Intervention
La Plata (partnering with Montezuma county)	LaPlata - July 2011 Montezuma - July 2013	Axis Health Systems
Larimer	July 2011	Touchstone Health Partners
Logan (partnering with Cheyenne, Elbert, Kit Carson, Lincoln, Morgan, Phillips, Washington and Yuma counties)	July 2011	Centennial Mental Health Center
Mesa (partnering with Eagle, Grand, Garfield, Summit and Routt counties)	July 2013	Mind Springs Health
Pueblo	July 2013	Spanish Peaks Mental Health Center Southern Colorado Court Services
Weld	July 2013	Intervention North Range Behavioral Health

For FY 2014-15, most JBBS programs are receiving additional funding from the CTCF to assist clients with a variety of services such as: bus tokens or taxi cab vouchers; funding to obtain identification; basic hygiene items; medication; food and emergency housing. Clients must be successfully discharged from the jail program and transitioned to community-based treatment services as recommended at discharge from the jail to be eligible to benefit from these funds.

With respect to the allocation of funding provided through S.B. 14-215, the Department provided the following table reflecting allocations to date. As highlighted in the table, this funding will support *new* JBBS programs in seven county jails, including: Clear Creek, Otero, Baca, Bent, Crowley, Kiowa, and Prowers counties. The remaining counties plan to use the funds to expand existing JBBS services and offer more transitional services in the community.

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COUNTY	SB 14-215 Funding Allocation	Comments Re: SB 14-215 Budget
ADAMS	\$42,000	1 FTE Additional case manager
ALAMOSA (partnering with Conejos County)	0	No request submitted
ARAPAHOE	167,400	2 FTE clinical case managers, .5 transitional case manager, psychiatrist time, treatment books
BOULDER	163,166	1 FTE Therapist, 1 FTE case manager and sheriff's indirect costs
CLEAR CREEK	23,420	Additional .5 FTE to make the case manager position FTE
DELTA (partnering with Gunnison, Hinsdale, Montrose, Ouray and San Miguel counties)	0	no request submitted
DENVER	74,188	.5 FTE case manager, recovery support housing and .25 FTE admin
DOUGLAS	11,900	Recovery Support Services
EL PASO	59,325	Would like to contract with a community based provider for post release
JEFFERSON	62,000	1 FTE case manager, supplies and salary adjustment
LA PLATA (partnering with Montezuma county)	120,000	Additional 1 FTE therapist and 1 FTE case manager. Positions will serve Montezuma and La Plata Counties
LARIMER	100,000	1 FTE therapist
LOGAN (partnering with Cheyenne, Elbert, Kit Carson, Lincoln, Morgan, Phillips, Washington and Yuma counties)	145,530	3 FTE case manager for transitional services in the community
OTERO	207,482	New program to serve Baca, Bent, Crowley, Kiowa, Otero and Prowers
PUEBLO	124,000	1 FTE clinician, case manager benefits and to make position FTE, training for deputies, coordinator, supplies.
MESA (partnering with Garfield, Summit, Eagle, Grand and Routt counties)	30,000	Add .5 FTE for case managers
WELD	169,802	2 FTE clinicians and 1 FTE case manager. Equipment for new positions, training and travel
Other Contractual Services	47,000	JBBS Clinician Training/Temp program assistant for OBH
Total Allocations	\$1,547,213	
SB 14-215 Appropriation	\$2,000,000	
Amount not yet allocated	\$452,787	

Request: The Department requests continuation of the reappropriated funds from the CTCF (\$3,578,522) and elimination of the cash funds appropriation from the MTCF.

Recommendation: Staff recommends appropriating a total of \$5,128,522, including \$3,578,522 reappropriated funds and \$1,550,000 cash funds from the MTCF. This is essentially a continuation of the adjusted FY 2014-15 appropriation (but using a rounded dollar amount from the MTCF).

Allocation of marijuana tax revenues: Approval of the Department's request would have a direct negative impact on 35 of the 43 county sheriff's offices with JBBS programs. Offenders who have been sentenced to jail or who are in jail pending disposition are not eligible for Medicaid¹⁶. Thus, while the expansion of Medicaid eligibility certainly increases offenders' access to behavioral health care once they leave jail, it does not cover the costs of behavioral health services provided to offenders while they are in jail.

¹⁶ A jail is responsible for all health care services provided in-house. However, Medicaid can reimburse for medical care provided to an incarcerated person admitted as an inpatient in a hospital for at least 24 hours.

Based on recent 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.

All three counties indicated that they hoped to receive a portion of the additional funding made available through S.B. 14-215 to hire additional staff to focus on re-entry planning and case management. These staff would work with inmates prior to release to develop a plan to meet their basic needs (*e.g.*, housing, food, medication, transportation, employment) and maintain sobriety. These staff would 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. Both Boulder and Arapahoe would also use additional funding to hire staff to provide services to inmates who are not currently able to access JBBS services (including some who are housed in high security areas and some short-term inmates who would benefit from assistance in connecting with community-based services upon their release). In Logan County, space within the jails is the biggest limitation on expanding jail-based services.

Rural Co-occurring Disorder Services

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

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

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

Request: The Department requests \$517,625 General Fund. The request includes an increase of \$5,125 General Fund for a 1.0 percent provider rate increase (R20).

Recommendation: Staff recommends appropriating \$526,338 General Fund. The recommendation includes an increase of \$13,838 General Fund for a 2.7 percent provider rate increase, consistent with Committee policy. Staff's recommendation is \$8,713 higher than the request due to the Committee's community provider rate policy.

(E) MENTAL HEALTH INSTITUTES

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

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

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

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

inpatient psychiatric benefit limit (implemented in FY 2003-04). If one of these patients remains at an institute for longer than 45 days, the costs of care shift to the General Fund.

The following table summarizes staff recommendations for the Mental Health Institutes subsection. Overall staff's recommendation is \$137,039 higher than the request, primarily due to the following:

- Staff's recommendation for provider rates is \$376,296 General Fund higher than the request due to the Committee's policy concerning provider rates, and the fact that the Department's request excluded funding for a rate increase associated with the contract medical staff.
- Staff's recommendation is \$584,723 General Fund lower than the request due to staff's recommendation to appropriate certain amounts requested through R1 in the corresponding centrally appropriated line items rather than in this section.
- Staff's recommendation is \$347,969 General Fund higher than the request due to staff's recommendation to consolidate funding for the Circle Program in this section, including appropriations for employee benefits.
- Staff's recommendation for the Circle Program reflects a direct cash funds appropriation from the Marijuana Tax Cash Fund, rather than a General Fund appropriation. This results in a shift of \$1,913,782 from General Fund to cash funds.

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Mental Health Institutes						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation						
HB 14-1336 (Long Bill)	\$102,290,256	\$86,799,624	\$7,522,043	\$7,968,589	\$0	1,181.1
Supplemental bill (S.B. 15-149)	3,039,494	2,937,254	(812,872)	915,112	0	30.6
Long Bill Supplemental	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$105,329,750	\$89,736,878	\$6,709,171	\$8,883,701	\$0	1,211.7
FY 2015-16 Recommended Appropriation						
FY 2014-15 Appropriation	\$105,329,750	\$89,736,878	\$6,709,171	\$8,883,701	\$0	1,211.7
Annualize salary survey and merit pay increases	2,314,767	2,314,767	0	0	0	0.0
R14 Institute equipment replacement	1,711,403	1,711,403	0	0	0	0.0
R20 Community provider rate	404,374	404,374	0	0	0	0.0
Consolidate funding for Circle Program	347,969	347,969	0	0	0	0.0
R1 MHI treatment unit	281,811	281,811	0	0	0	6.1
R13 Circle program	225,000	225,000	0	0	0	0.0
Non-prioritized requested changes	185,305	0	0	185,305	0	0.0
Annualize prior year budget actions	149,909	149,909	0	0	0	3.2
R15 Food inflation	28,128	28,128	0	0	0	0.0
Other	0	(1,913,782)	1,913,782	0	0	0.0
CMHIP educational programs	0	(14,549)	0	14,549	0	0.0
Reverse supplemental	<u>(1,294,273)</u>	<u>(1,294,273)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$109,684,143	\$91,977,635	\$8,622,953	\$9,083,555	\$0	1,221.0
Increase/(Decrease)	\$4,354,393	\$2,240,757	\$1,913,782	\$199,854	\$0	9.3
Percentage Change	4.1%	2.5%	28.5%	2.2%	n/a	0.8%
FY 2015-16 Executive Request	\$109,547,084	\$93,734,800	\$6,709,171	\$9,103,113	\$0	1,221.0
Request Above/(Below) Recommendation	(\$137,059)	\$1,757,165	(\$1,913,782)	\$19,558	\$0	0.0

INITIATIVES THAT AFFECT MULTIPLE LINE ITEMS

➔ R14 Institute equipment replacement

Request: The Department requests a one-time appropriation of \$1,711,403 General Fund to replace equipment and furnishings and to perform minor renovations at both mental health institutes.

Recommendation: Staff recommends approving the request. However, staff recommends appropriating the requested amounts (\$920,448 for Ft. Logan and \$790,955 for Pueblo) in Capital Outlay line items, rather than including the funding in the Operating Expenses line items. In addition, staff recommends that \$52,000 of the requested amount (\$9,000 for Ft. Logan and \$43,000 for Pueblo) be considered ongoing funding, beginning in FY 2016-17, for annual capital outlay expenses.

Analysis:

The request includes \$920,448 for 22 items or projects at the Colorado Mental Health Institute at Ft. Logan (CMHIFL), and \$790,955 for 21 items or projects at the Colorado Mental Health Institute at Pueblo (CMHIP). Of the total number of items or projects, 27 are deemed high priority (\$1,281,259), 11 are deemed medium priority (\$321,890), and five are deemed low priority (\$108,254). The Department has also categorized the components into four categories based on the impact:

- Safety and Security (\$1,077,051)
- Patient Care (\$490,550)
- Office/Staff Space (\$100,754)
- Patient Life Safety (\$43,048)

The following table details the request by location, priority, and category.

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R14 Institute Equipment Replacement and Minor Renovations				
Description	Impact	Ft. Logan	Pueblo	Total
High Priority				
Replace 10 Suction machines, 6 crash carts, 4 vital sign monitors for clinical units, and anesthesia machine	Patient life safety	\$43,048		\$43,048
2 Intercom systems (new for Ft. Logan, replacement for Pueblo)	Safety and security	400,000	400,000	800,000
79 Personal duress alarms	Safety and security		37,051	37,051
Replace 5 outside doors with security entrance doors	Safety and security	10,000		10,000
Replace 4 security cameras, DVR, monitor	Safety and security	8,000		8,000
Replace computed radiography (CR) reader	Patient care		52,520	52,520
Digital radiography system	Patient care	30,500		30,500
Replace optometry equipment	Patient care	26,000		26,000
Replace bakery equipment and 2 ovens	Patient care		76,140	76,140
Replace 14 food carts	Patient care	32,000	17,000	49,000
Re-upholster furniture	Patient care	15,000		15,000
Replace 50 mattresses and 4 beds	Patient care	19,000	30,000	49,000
Add relaxation room	Patient care		15,000	15,000
Replace furniture in courtyards and treatment malls	Patient care	25,000		25,000
Replace 3 patient transportation units	Patient care		45,000	45,000
Subtotal		608,548	672,711	1,281,259
Medium Priority				
Replace flooring in dining room, pharmacy, library, and office	Safety and security	222,000		222,000
Replace limestone plethysmograph (PPG), a medical instrument used in sex offender treatment	Patient care		20,490	20,490
Replace 4 patient massage chairs	Patient care	6,400		6,400
Replace medication storage cassettes	Patient care	6,000		6,000
Replace hi-lo mat	Patient care		5,000	5,000
Replace door to walk-in refrigerator	Patient care	5,000		5,000
Remodel seclusion room to a conference room	Patient care	30,000		30,000
Replace tables for patient group therapy	Patient care		12,000	12,000
Re-upholster furniture	Patient care		15,000	15,000
Subtotal		269,400	52,490	321,890
Low Priority				
Remodel on-call physician office space to add shower	Office/ staff space	35,000		35,000
Remodel office space and patient interview rooms for court services	Office/ staff space		65,754	65,754
Ice cream machine	Patient care	7,500		7,500
Subtotal		42,500	65,754	108,254
Total		\$920,448	\$790,955	\$1,711,403

Most of the items in the request can be classified as operating budget requests reviewed by the Joint Budget Committee pursuant to S.J.R. 14-039:

"The operating budget generally includes routine expenses related to day-to-day operations, including items that require ongoing funding levels from year to year such as personnel, utilities, and program expenses...The operating budget includes building and equipment repair and renovation associated with routine maintenance of existing assets and for construction projects of limited scope, if such repair,

renovation, or construction falls within the definition of capital outlay as defined in section 24-75-112 (1), Colorado Revised Statutes..."

The referenced statutory provision defines "capital outlay" to include: (a) equipment, furniture, motor vehicles, software, and other items that have a useful life of one year or more; (b) major and extensive repair, remodeling, or alteration of buildings; (c) new structures; or (d) nonstructural improvements to land. This definition excludes those things defined as capital construction, capital renewal, or controlled maintenance pursuant to Section 24-30-1301, C.R.S.

However, staff believes that some of the items in the request could be classified as controlled maintenance capital construction budget requests to be reviewed and prioritized by the Capital Development Committee pursuant to S.J.R. 14-039 (those projects with a total cost of more than \$15,000 but less than \$2,000,000). Pursuant to Section 24-30-1301 (4), C.R.S., "controlled maintenance" means corrective repairs or replacement, including improvements for health, life safety, and code requirements, used for existing real property and of the fixed equipment necessary for the operation of real property, when such work is not funded in a agency's operating budget. The six shaded rows in the above table are items that staff believes should have been reviewed and prioritized by the CDC (\$1,189,805 of the request).

In response to a staff inquiry about this issue, the Department indicated that all of the items are consistent with the definition of capital outlay as included in the Office of State Planning and Budgeting FY 2015-16 Budget Instructions: "minor construction, renovation, or routine maintenance, and smaller information technology projects", and were thus included as part of the operating budget request.

Staff also asked why the existing appropriations to each institute and to the Department's Office of Operations for facility management were not sufficient to cover at least a portion of the items included in this request. The Department indicated that existing appropriations for each institute cover minor equipment purchases, replacements, repairs, and modifications – usually as a result of patient damages or safety/security concerns. The Department indicated that the items in this request are those that have not been able to be accommodated within these existing appropriations. The Department indicates that the last time it submitted such a request was for FY 2005-06.

The Department responded that appropriations to the Office of Operations cover building and infrastructure maintenance, grounds and housekeeping services, and occasional small scale space renovations. In FY 2013-14, \$3,160,190 (16.8 percent) of facility maintenance expenditures by the Office of Operations were for CMHIP, and \$1,952,158 (10.4 percent) were for CMHIFL.

While staff believes that some of these items should have been reviewed and prioritized by the CDC, at this point in the budget cycle there is not sufficient time for that process to take place. Given the vulnerability of the individuals residing at the institutes and staff safety concerns, staff recommends approving the request. However, staff recommends appropriating the requested amounts (\$920,448 for Ft. Logan and \$790,955 for Pueblo) in Capital Outlay line items, rather than including the funding in the institutes' Operating Expenses line items.

In addition, staff recommends that \$52,000 of the requested amount (\$9,000 for Ft. Logan and \$43,000 for Pueblo) be considered ongoing funding, beginning in FY 2016-17, for annual capital outlay expenses. These ongoing amount of capital outlay funding is based on those items in the request that staff would classify as operating budget requests, and the ten years that have passed since the last request of this nature was submitted ($\$521,598 / 10 \text{ years} = \$52,160$). Staff has allocated this amount between the two institutes based on the number of beds at each institute (\$95 per bed). The goal of this recommendation is 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. Staff assumes 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 likely capital outlay expenditures. Staff intends to work with Department staff over the next year to inform any such recommendation for FY 2016-17.

➔ R15 Food inflation

Request: The Department's overall request for FY 2015-16 includes \$91,723 to cover increases in raw food costs. This amount includes \$28,128 General Fund for the mental health institutes (including \$7,285 for Ft. Logan and \$20,843 for Pueblo). The requested amounts are based on providing a 3.0 percent inflationary increase for raw food expenses.

Recommendation: This request will be addressed as a statewide common policy by Steve Allen on March 11, 2015, as part of his figure setting recommendations for the Department of Corrections. Staff's recommendations in this packet reflect the requested amounts for each institute. Staff will ultimately include amounts that are consistent with the Committee's common policy on this issue.

➔ BA8 MHI revenue adjustment

Request: The Department previously requested adjustments to FY 2014-15 appropriations for the mental health institutes to reflect updated revenue estimates and to ensure that both institutes have sufficient resources to cover operational expenses (S16 Mental health institute revenue adjustments). The Department submitted this budget amendment to request that these adjustments remain in place for FY 2015-16.

Recommendation: For FY 2014-15, the Committee approved the requested adjustments plus three additional recommended adjustments to correct technical errors in the supplemental request and the underlying appropriations (these adjustments are reflected in S.B. 15-149). Staff's recommendations for FY 2015-16 reflect a continuation of these fund source adjustments.

However, staff has learned that the technical corrections that were approved by the Committee for FY 2014-15 did not fully address the technical issues in the underlying appropriations. Thus, **staff recommends an additional adjustment to FY 2014-15 appropriations, and staff recommends continuation of that adjustment for FY 2015-16.** Specifically, staff recommends shifting \$1,198,065 General Fund from the CMHIP Operating Expenses line item to the Personal Services line item. The following table details the adjustments approved by the Committee to date, plus the additional recommended adjustment (see the two highlighted cells). The additional recommended

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General Fund adjustments correspond to previously approved adjustments to amounts that are transferred from the DOC. This modified recommendation correctly maintains the overall appropriation for each affected line item while correcting fund sources.

FY 2014-15 Mental Health Institutes Revenue Adjustment MODIFIED RECOMMENDATION						
Fund Source	Fort Logan	Pueblo				Total Adjustments
	Personal Services	Personal Services	Operating Expenses	Educational Programs	Subtotal	
TOTAL FUNDS	\$0	\$0	\$0	\$0	\$0	\$0
General Fund - initial recomm.	194,051	(289,860)	0	(6,431)	(296,291)	(102,240)
General Fund - additional recommended adjustment	0	1,198,065	(1,198,065)	0	0	0
Cash Funds (Patient Revenues)	(330,166)	(482,706)	0	0	(482,706)	(812,872)
Reappropriated Funds						
Transfer from HCPF - Medicaid funds	0	1,002,255	0	0	1,002,255	1,002,255
Transfer from HCPF - BHO payments	136,115	(229,689)	0	0	(229,689)	(93,574)
Transfer from DOC	0	(1,198,065)	1,198,065	0	0	0
Transfer from CDE	0	0	0	6,431	6,431	6,431
Subtotal: RF	136,115	(425,499)	1,198,065	6,431	778,997	915,112
<i>Net General Fund</i>	<i>194,051</i>	<i>1,399,210</i>	<i>(1,198,065)</i>	<i>(6,431)</i>	<i>194,714</i>	<i>388,765</i>

For more information about the adjustments that were approved for FY 2014-15, see the document titled "Supplemental Requests for FY 2013-14 and 2014-15 for the Department of Human Services (Behavioral Health Services Only)", dated January 1, 2015, starting on page 17.

(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.

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Staffing Summary	FY 2013-14	FY 2014-15	FY 2015-16	
Colorado Mental Health Institute-Fort Logan	Actual	Appropriation	Request	Recomm.
Administrative/Program Support Staff	23.1	23.4	23.4	23.4
Information Management	5.5	3.9	4.9	4.9
Management and Administration	10.0	11.5	11.5	11.5
Nursing	58.8	55.8	55.8	55.8
Nutrition	17.8	18.0	18.0	18.0
Patient Medical Services (e.g., lab, dental, pharmacy, xray, etc.)	6.2	6.8	6.8	6.8
Patient Support Services (e.g., medical records, admissions, patient rights, chaplain, etc.)	15.5	12.0	12.0	12.0
Psychology	5.9	4.6	4.6	4.6
Safety and Security	11.5	11.5	11.5	11.5
Social Work (e.g., including Mental Health Clinicians)	66.0	61.0	61.0	61.0
Therapy (Vocational, Rehabilitation, Occupational)	<u>9.0</u>	<u>9.0</u>	<u>9.0</u>	<u>9.0</u>
Total	229.1	217.5	218.5	218.5

Request: The Department requests \$18.6 million total funds (including \$16.8 million General Fund) and 218.5 FTE for FY 2015-16. The request is impacted by the following decision items and budget amendments:

- R20 Provider rate increase
- BA8 MHI revenue adjustment

Recommendation: As detailed in the following table, staff recommends appropriating \$18.7 million total funds and 218.5 FTE. Please note that as staff recommends continuation of the revenue adjustments requested through BA8 and previously approved for FY 2014-15, these adjustments do not appear in the following table.

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Behavioral Health Services, Mental Health Institutes, MHI - Ft. Logan, Personal Services					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	FTE
FY 2014-15 Appropriation					
HB 14-1336 (Long Bill)	\$18,043,492	\$16,061,862	\$1,949,875	\$31,755	217.5
Supplemental bill (S.B. 15-149)	<u>0</u>	<u>194,051</u>	<u>(330,166)</u>	<u>136,115</u>	<u>0.0</u>
TOTAL	\$18,043,492	\$16,255,913	\$1,619,709	\$167,870	217.5
FY 2015-16 Recommended Appropriation					
FY 2014-15 Appropriation	\$18,043,492	\$16,255,913	\$1,619,709	\$167,870	217.5
Annualize salary survey and merit pay increases	506,937	506,937	0	0	0.0
R20 Community provider rate	92,190	92,190	0	0	0.0
Annualize prior year budget actions	<u>45,379</u>	<u>45,379</u>	<u>0</u>	<u>0</u>	<u>1.0</u>
TOTAL	\$18,687,998	\$16,900,419	\$1,619,709	\$167,870	218.5
Increase/(Decrease)	\$644,506	\$644,506	\$0	\$0	1.0
Percentage Change	3.6%	4.0%	0.0%	0.0%	0.5%
FY 2015-16 Executive Request:	\$18,597,036	\$16,809,457	\$1,619,709	\$167,870	218.5
Request Above/(Below) Recommendation	(\$90,962)	(\$90,962)	\$0	\$0	0.0

Annualize salary survey and merit pay increases. The recommendation reflects the annualization of salary survey and merit pay increases awarded in FY 2014-15.

R20 Community provider rate. Consistent with Committee policy, the recommendation includes an increase of \$92,190 General Fund for a 2.7 percent provider rate increase on the portions of the appropriation that support contract medical staff and contract trauma informed care peer support specialists. Staff's recommendation is \$90,962 higher than the request due to the Committee's policy concerning provider rates, and the fact that the Department's request excluded funding for a rate increase associated with the contract medical staff.

Annualize prior year budget actions. The recommendation includes \$45,379 General Fund and 1.0 FTE to annualize a decision item approved for FY 2014-15 (R11 Electronic health record system).

Contract Medical Services

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

Request: The Department requests \$1,269,465 General Fund, the same amount appropriated for FY 2014-15.

Recommendation: Staff recommends approving the request.

JBC Staff Figure Setting – FY 2015-16
Staff Working Document – Does Not Represent Committee Decision

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.

Request: The Department requests \$1,995,738 (including \$1,836,629 General Fund). The request is impacted by R14 (Institute equipment replacement) and R15 (Food inflation).

Recommendation: As detailed in the following table, staff recommends approving the request.

Behavioral Health Services, Mental Health Institutes, MHI - Ft. Logan, Operating Expenses					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	FTE
FY 2014-15 Appropriation					
HB 14-1336 (Long Bill)	<u>\$1,067,055</u>	<u>\$907,646</u>	<u>\$123,727</u>	<u>\$35,682</u>	<u>0.0</u>
TOTAL	\$1,067,055	\$907,646	\$123,727	\$35,682	0.0
FY 2015-16 Recommended Appropriation					
FY 2014-15 Appropriation	\$1,067,055	\$907,646	\$123,727	\$35,682	0.0
R14 Institute equipment replacement*	920,448	920,448	0	0	0.0
R15 Food inflation	7,285	7,285	0	0	0.0
Annualize prior year budget actions	<u>950</u>	<u>950</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$1,995,738	\$1,836,329	\$123,727	\$35,682	0.0
Increase/(Decrease)	\$928,683	\$928,683	\$0	\$0	0.0
Percentage Change	87.0%	102.3%	0.0%	0.0%	n/a
FY 2015-16 Executive Request:	\$1,995,738	\$1,836,329	\$123,727	\$35,682	0.0
Request Above/(Below)					
Recommendation	\$0	\$0	\$0	\$0	0.0

*However, staff recommends appropriating this amount in a separate Capital Outlay line item

R14 Institute equipment replacement: The recommendation includes \$920,448 General Fund, consistent with staff's recommendation on R14 at the beginning of this section. However, staff recommends appropriating this amount through a separate Capital Outlay line item.

R15 Food inflation: The recommendation reflects the requested amount for food inflation. However, as indicated at the beginning of this section, this request will be addressed as a statewide common policy by Steve Allen as part of his March 11, 2015 figure setting recommendations for the Department of Corrections.

Annualize prior year budget actions. The recommendation includes \$950 General Fund to annualize a decision item approved for FY 2014-15 (R11 Electronic health record system).

Capital Outlay [NEW LINE ITEM]

As discussed at the beginning of this division, staff recommends appropriating the funding requested through for R14 (Institute equipment replacement) in a separate line item (\$920,448 General Fund).

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.

Request: The Department requests \$1,353,110 (including \$1,215,211 General Fund), the same amount appropriated for FY 2014-15.

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	FY 2013-14	FY 2014-15	FY 2015-16	
Colorado Mental Health Institute-Pueblo	Actual	Appropriation	Request	Recomm.
Administrative/Program Support Staff	54.3	54.4	54.4	54.4
Education	7.7	10.3	10.3	10.3
Information Management (FY 14-15 R11)	8.1	10.0	12.2	12.2
Management and Administration	39.0	32.1	32.1	32.1
Nursing (R1)	459.2	437.1	439.6	439.6
Nutrition	83.0	80.9	80.9	80.9
Patient Medical Services (e.g. , lab, dental, pharmacy, xray, etc.)	30.1	29.3	29.3	29.3
Patient Support Services (e.g. , medical records, admissions, patient rights, chaplain, etc.)	59.5	56.5	56.5	56.5
Psychology (R1)	39.4	39.5	39.7	39.7
Safety and Security (R1)	76.7	96.9	100.3	100.3
Social Work (e.g., including Mental Health Clinicians)	91.7	87.2	87.2	87.2
Therapy (Vocational, Rehabilitation, Occupational)	<u>44.4</u>	<u>56.3</u>	<u>56.3</u>	<u>56.3</u>
Total	993.1	990.5	998.8	998.8

Request: The Department requests \$70.3 million (including \$59.0 million General Fund) and 998.8 FTE. The request is impacted by the following decision items:

JBC Staff Figure Setting – FY 2015-16
Staff Working Document – Does Not Represent Committee Decision

- R1 MHI treatment unit
- R20 Provider rate increase
- BA8 MHI revenue adjustment

Recommendation: As detailed in the following table, staff recommends appropriating \$68.3 million total funds and 977.5 FTE. Please note that as staff recommends continuation of the revenue adjustments requested through BA8 and previously approved for FY 2014-15, these adjustments do not appear in the following table. Overall, staff's recommendation for this line item is \$2,108,644 and 21.3 FTE lower than the request. This difference is attributable to several incremental changes, and they are discussed in detail following the table.

Behavioral Health Services, Mental Health Institutes, MHI - Pueblo, Personal Services					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	FTE
FY 2014-15 Appropriation					
HB 14-1336 (Long Bill)	\$65,849,334	\$54,744,339	\$4,640,594	\$6,464,401	959.9
Supplemental bill (S.B. 15-149)	951,786	1,859,991	(482,706)	(425,499)	30.6
Long Bill Supplemental	<u>1,198,065</u>	<u>1,198,065</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$67,999,185	\$57,802,395	\$4,157,888	\$6,038,902	990.5
FY 2015-16 Recommended Appropriation					
FY 2014-15 Appropriation	\$67,999,185	\$57,802,395	\$4,157,888	\$6,038,902	990.5
Annualize salary survey and merit pay increases	1,807,830	1,807,830	0	0	0.0
R1 MHI treatment unit	342,380	342,380	0	0	6.1
R20 Community provider rate	240,461	240,461	0	0	0.0
Annualize prior year budget actions	111,086	111,086	0	0	2.2
Consolidate funding for Circle Program	(1,697,232)	(1,476,592)	(203,668)	(16,972)	(21.3)
Reverse supplemental	(499,079)	(499,079)	0	0	0.0
CMHIP educational programs	<u>(67,269)</u>	<u>(67,269)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$68,237,362	\$58,261,212	\$3,954,220	\$6,021,930	977.5
Increase/(Decrease)	\$238,177	\$458,817	(\$203,668)	(\$16,972)	(13.0)
Percentage Change	0.4%	0.8%	(4.9%)	(0.3%)	(1.3%)
FY 2015-16 Executive Request:	\$70,346,006	\$58,951,151	\$4,157,888	\$7,236,967	998.8
Request Above/(Below)					
Recommendation	\$2,108,644	\$689,939	\$203,668	\$1,215,037	21.3

Long Bill Supplemental. As discussed at the beginning of this section for (BA8 MHI revenue adjustment), staff recommends an adjustment to make a technical correction to the FY 2014-15 appropriation. This adjustment, along with the technical corrections that were included in the

supplemental bill, result in staff's fund sources for FY 2015-16 differing from the request (staff's recommendation reflects \$1,169,941 more General Fund and \$1,169,941 less reappropriated funds).

Annualize salary survey and merit pay increases. The recommendation reflects the annualization of salary survey and merit pay increases awarded in FY 2014-15.

R1 MHI treatment unit. As discussed at the beginning of this packet, staff's recommendation includes a full 12 months of funding for the new treatment unit. Staff's recommendation adds \$582,148 less General Fund than requested to this line item, primarily because staff's recommendation appropriates funding for employee benefits in the associated centrally appropriated line items, rather than in this line item.

R20 Community provider rate. Consistent with Committee policy, the recommendation includes an increase of \$240,461 General Fund for a 2.7 percent provider rate increase on the portions of the appropriation that support contract medical staff and contract trauma informed care peer support specialists. Staff's recommendation is \$238,005 General Fund higher than the request due to the Committee's policy concerning provider rates, and the fact that the Department's request excluded funding for a rate increase associated with the contract medical staff.

Annualize prior year budget actions. The recommendation includes \$111,086 General Fund and 2.2 FTE to annualize a decision item approved for FY 2014-15 (R11 Electronic health record system).

Consolidate funding for Circle Program. The recommendation reflects a staff-initiated reduction of \$1,697,232 and 21.3 FTE to consolidate funding for the Circle Program in a new line item. This recommendation is discussed at the end of this section.

Reverse supplemental. The recommendation reflects the elimination of a one-time appropriation provided for sanity evaluation expenses.

CMHIP educational programs. The recommendation reflects a staff-initiated reduction of \$67,269 General Fund to consolidate funding for CMHIP educational services in the Educational Programs line item (discussed below).

Contract Medical Services

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

Request: The Department requests \$3,589,425 General Fund, the same amount appropriated for FY 2014-15.

Recommendation: Staff recommends approving the request.

Operating Expenses

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

*JBC Staff Figure Setting – FY 2015-16
Staff Working Document – Does Not Represent Committee Decision*

Request: The Department requests \$6,322,454 (including \$4,806,348 General Fund). The request is impacted by the following decision items:

- R1 MHI treatment unit
- R14 Institute equipment replacement
- R15 Food inflation
- BA8 MHI revenue adjustment
- NP1 DOC R6 Food service equipment and inflation
- NPI DOC R7 Maintenance operating increase

Recommendation: As detailed in the following table, staff recommends appropriating \$6.3 million total funds. Please note that as staff recommends continuation of the revenue adjustments requested through BA8 and previously approved for FY 2014-15, these adjustments do not appear in the following table. Overall, staff’s recommendation for this line item is \$39,957 lower than the request. This difference is attributable to several incremental changes, and they are discussed in detail following the table.

Behavioral Health Services, Mental Health Institutes, MHI - Pueblo, Operating Expenses					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	FTE
FY 2014-15 Appropriation					
HB 14-1336 (Long Bill)	\$5,293,919	\$3,963,118	\$403,435	\$927,366	0.0
Supplemental bill (S.B. 15-149)	1,292,514	94,449	0	1,198,065	0.0
Long Bill Supplemental	<u>(1,198,065)</u>	<u>(1,198,065)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$5,388,368	\$2,859,502	\$403,435	\$2,125,431	0.0
FY 2015-16 Recommended Appropriation					
FY 2014-15 Appropriation	\$5,388,368	\$2,859,502	\$403,435	\$2,125,431	0.0
R14 Institute equipment replacement*	790,955	790,955	0	0	0.0
Non-prioritized requested changes	185,305	0	0	185,305	0.0
R15 Food inflation	20,843	20,843	0	0	0.0
R1 MHI treatment unit	(60,569)	(60,569)	0	0	0.0
Consolidate funding for Circle Program	(34,899)	(30,362)	(4,188)	(349)	0.0
Annualize prior year budget actions	<u>(7,506)</u>	<u>(7,506)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$6,282,497	\$3,572,863	\$399,247	\$2,310,387	0.0
Increase/(Decrease)	\$894,129	\$713,361	(\$4,188)	\$184,956	0.0
Percentage Change	16.6%	24.9%	(1.0%)	8.7%	n/a
FY 2015-16 Executive Request:	\$6,322,454	\$4,806,348	\$403,435	\$1,112,671	0.0
Request Above/(Below)					
Recommendation	\$39,957	\$1,233,485	\$4,188	(\$1,197,716)	0.0

*However, staff recommends appropriating this amount in a separate Capital Outlay line item.

Long Bill Supplemental. As discussed at the beginning of this section for (BA8 MHI revenue adjustment), staff recommends an adjustment to make a technical correction to the FY 2014-15 appropriation. This adjustment, along with the technical corrections that were included in the supplemental bill, result in staff's fund sources for FY 2015-16 differing from the request (staff's recommendation reflects \$1,198,065 less General Fund and \$1,198,065 more reappropriated funds).

R14 Institute equipment replacement: The recommendation includes \$790,955 General Fund, consistent with staff's recommendation on R14 at the beginning of this section. However, staff recommends appropriating this amount through a separate Capital Outlay line item.

Non-prioritized requested changes. The recommendation includes \$185,305 reappropriated funds transferred from DOC, including \$51,130 requested through NP1 DOC R6 (Food service equipment and inflation) and an increase of \$134,175 requested through NPI DOC R7 (Maintenance operating increase). However, as indicated below, these requests will be addressed by Steve Allen as part of his March 11, 2015 figure setting recommendations for the Department of Corrections.

R15 Food inflation: The recommendation reflects the requested amount for food inflation. However, as indicated at the beginning of this section, this request will be addressed as a statewide common policy by Steve Allen as part of his figure setting recommendations for the Department of Corrections.

R1 MHI treatment unit. As discussed at the beginning of this packet, staff's recommendation includes a full 12 months of funding for the new treatment unit. Staff's recommendation adds \$5,058 less General Fund than requested to this line item.

Consolidate funding for Circle Program. The recommendation reflects a staff-initiated reduction of \$34,899 to consolidate funding for the Circle Program in a new line item. This recommendation is discussed at the end of this section.

Annualize prior year budget actions. The recommendation includes a reduction of \$7,506 General Fund to annualize a decision item approved for FY 2014-15 (R11 Electronic health record system).

➔ NP1 DOC R6 Food service equipment and inflation

Request: The request for CMHIP's Operating Expenses line item includes \$51,130 for an estimated 3.0 percent increase in the raw food costs incurred by the CMHIP to provide meal services to DOC facilities on the CMHIP campus (La Vista Correctional Facility, San Carlos Correctional Facility, and the Youthful Offender System).

Recommendation: Staff's recommendations currently reflect the requested amount. Staff will ultimately reflect the amount approved by the Committee when this DOC request is considered.

➔ NPI DOC R7 Maintenance operating increase

Request: The request for CMHIP's Operating Expenses line item includes \$134,175 for the DOC's share of building repair and maintenance, equipment replacement, and variable mileage expenses for facilities on the CMHIP campus.

Recommendation: Staff's recommendations currently reflect the requested amount. Staff will ultimately reflect the amount approved by the Committee when this DOC request is considered.

Capital Outlay [NEW LINE ITEM]

As discussed at the beginning of this division, staff recommends appropriating the funding requested through for R14 (Institute equipment replacement) in a separate line item (\$790,955 General Fund).

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.

Request: The Department requests \$3,180,321 total funds (including \$2,536,632 General Fund). This request essentially represents a continuation level of funding, as it matches the FY 2014-15 appropriation before a one-time increase that was requested and included in the supplemental bill.

Recommendation: Staff recommends approving the request. However, staff recommends appropriating \$3,127,321 total funds for this line item. This amount is \$53,000 less than the request due to staff's recommendation to consolidate funding for the Circle Program (discussed below).

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.

Request: The Department requests a continuation level of funding (\$138,640 total funds and 2.7 FTE). Due to a technical error, the Department's request reflects a negative amount of General Fund.

Recommendation: Staff recommends appropriating a total of \$205,909 and 2.7 FTE. Staff's recommendation reflects the full amount from reappropriated funds, correcting the technical error in the request and consistent with the Committee's action on adjustments to the FY 2014-15 appropriation. Staff's recommendation includes two additional adjustments to ensure that this line item accurately reflects the amount anticipated to be spent on educational services:

- The recommendation reflects the transfer of \$67,269 General Fund from the CMHIP Personal Services line item. It is staff's understanding that the Department has been charging a portion of educational program expenses to that line item, and staff's recommendation simply consolidates funding into this line item. Staff's recommendation is the sum of the existing appropriation and the amount transferred from the Personal Services line item ($\$138,640 + \$67,269 = \$205,909$).
- Staff's recommendation reflects the full amount of funding anticipated to be transferred from the Department of Education's Facility School Funding line item (\$153,189), with the remainder coming from the General Fund (\$52,720). Should the Committee's actions on the Department of Education's FY 2015-16 budget request modify the amount of funding anticipated to be transferred to CMHIP, staff will adjust this appropriation accordingly.

Jail-based Competency Restoration Program

The line item provides 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 GEO Care, LLC, to provide these services at the Arapahoe County Detention Facility in Centennial. This program generally serves men from the Denver metro area who: do not have significant medical needs identified; do not have significant medication compliance issues; and are likely to be restored in a relatively short period of time. The Department indicates that when compared to the average cost per person to serve an adult at CMHIP, this program saves approximately \$400 per person per day.

Request: The Department requests \$2,529,889 General Fund and 1.0 FTE. The request includes an increase of \$24,394 General Fund for a 1.0 percent provider rate increase (R20).

Recommendation: Staff recommends appropriating \$2,571,359 General Fund and 1.0 FTE. Consistent with Committee policy, the recommendation includes an increase of \$65,864 General Fund for a 2.7 percent provider rate increase. Staff's recommendation is \$41,470 higher than the request due to the Committee's provider rate policy.

➔ Staff-initiated: Consolidate funding for Circle Program

Circle Program [NEW LINE ITEM]

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.

Request: The Department's request reflects the existing Long Bill format that includes funding for the Circle Program in other CMHIP line items. However, the Department is aware of and supports staff's recommendation.

JBC Staff Figure Setting – FY 2015-16
Staff Working Document – Does Not Represent Committee Decision

Recommendation: Staff recommends establishing a separate line item appropriation for the Circle Program for two reasons: (1) to simplify the appropriation of cash funds from the Marijuana Tax Cash Fund; and (2) to facilitate the Department's plans to evaluate the potential for the Circle Program to operate as an autonomous program separate from CMHIP. Staff recommends appropriating a total of \$2,138,959 and 21.3 FTE for FY 2015-16, including \$1,913,782 cash funds from the MTCF, \$207,856 cash funds from patient revenues, and \$17,321 reappropriated funds transferred from the Department of Health Care Policy and Financing. The following table details the adjustments to existing line items that are necessary to create the new line item.

Summary of Recommendation for Separate Circle Program Line Item					
Description	FTE	General Fund	Cash Funds (Patient Revenues)	Reappropriated Funds (Medicaid Funds transferred from HCPF)	Total Funds
<u>Executive Director's Office</u>					
<i>General Administration</i>					
Health, Life, and Dental		(\$169,852)	\$0	\$0	(\$169,852)
Short-term Disability		(2,873)	0	0	(2,873)
S.B. 04-257 AED		(55,589)	0	0	(55,589)
S.B. 06-235 SAED		(59,063)	0	0	(59,063)
Shift Differential		<u>(60,592)</u>	<u>0</u>	<u>0</u>	<u>(60,592)</u>
Subtotal		(347,969)	0	0	(347,969)
<u>Office of Behavioral Health</u>					
<i>Mental Health Institutes, Mental Health Institute - Pueblo</i>					
Personal Services	(21.3)	(1,476,592)	(203,668)	(16,972)	(1,697,232)
Operating Expenses		(30,362)	(4,188)	(349)	(34,899)
Pharmaceuticals		(53,000)	0	0	(53,000)
Circle Program	<u>21.3</u>	<u>1,907,923</u>	<u>207,856</u>	<u>17,321</u>	<u>2,133,100</u>
Subtotal	0.0	347,969	0	0	347,969
Total	0.0	\$0	\$0	\$0	\$0

Community provider rate. In addition to the \$2,133,100 Circle Program appropriation in the above table, staff's recommendation includes an increase of \$5,859 General Fund for a 2.7 percent provider rate increase on the portion of the new Circle Program appropriation that supports contract medical staff.

Allocation of marijuana tax revenues. Finally, staff recommends substituting \$1,913,782 cash funds from the Marijuana Tax Cash Fund (MTCF) for the General Fund portion of the recommended appropriation. This direct appropriation from the MTCF is consistent with S.B. 14-215, and eliminates the need for a statutory transfer from the MTCF to the General Fund to support the Circle Program.

Prior to S.B. 14-215, statute required the State Treasurer to annually transfer the first \$2.0 million of sales tax revenues attributable to medical marijuana to the General Fund. This annual transfer was

intended to offset General Fund expenditures for both: (1) the Circle program; and (2) the "Screening, Brief Intervention, and Referral for Treatment for substance abuse" (SBIRT) program, an optional service covered under the state's Medicaid Program and funded through the Department of Health Care Policy and Financing.

Senate Bill 14-215 continued these transfers for FY 2013-14 and FY 2014-15, but eliminated these transfers starting in FY 2015-16. Instead, the act authorizes the General Assembly to appropriate moneys from the MTCF to support the Circle program. Thus, S.B. 14-215 was intended to continue using about \$2.0 million in marijuana tax revenues to offset General Fund expenditures related to certain substance use-related services. However, the changes in S.B. 14-215 were intended to simplify the funding process, make it more transparent, and address concerns about direct appropriations of marijuana tax revenues to HCPF to match federal Medicaid funds. The Department of Human Services indicated that the Circle program was projected to cost approximately \$2.0 million in FY 2015-16. Thus, starting in FY 2015-16, S.B. 14-215 eliminates the link between marijuana tax revenues and the SBIRT program. It was anticipated that starting in FY 2015-16 the Circle program would be supported by a direct appropriation from the MTCF.

The Governor's letter to the Committee, dated November 3, 2014, indicates a plan to continue the annual transfer of \$2.0 million from the MTCF to the General Fund for the Circle and SBIRT programs. The Department of Human Services' request for FY 2015-16 continues the current practice of supporting the Circle program through General Fund appropriations. It appears that this proposal was based on an incorrect assumption that S.B. 14-215 continued the statutory transfer from the MTCF to the General Fund for FY 2015-16. The Department of Human Services has confirmed that there is not compelling policy or legal reason to continue this practice.

R13 Circle program business plan analysis

Request: The Circle Program is currently supported by about \$2.0 million, including 87 percent General Fund and 13 percent from patients and their insurance companies. The Department requests a one-time appropriation of \$225,000 General Fund to contract with a vendor to conduct a business model analysis for the Circle Program. Specifically, using a request for proposal process, the Department will select a vendor to:

- Evaluate the IMD¹⁷ exclusion as it pertains to the Circle Program and the associated financial implications;
- Identify other treatment services and/or other populations that can be served through the Circle Program or through a modified/expanded Circle Program;

¹⁷ The mental health institutes are defined under federal law as "institutions for mental disease" (IMD) because they have more than 16 beds and are primarily engaged in providing diagnosis, treatment, or care of persons with mental health disorders, including medical attention, nursing care, and related services. Under the "IMD exclusion", Medicaid will not reimburse the State for the inpatient hospitalization of adults ages 21 through 64 at the institutes. While Medicaid will pay for community mental health treatment services for an eligible adult within this age range, when the same adult is admitted to an institute the cost of his or her care is transferred entirely to the General Fund. In addition, for Medicaid-eligible patients outside this age range (*i.e.*, under age 21 or over age 64), there is a 45-day Medicaid inpatient psychiatric benefit limit (implemented in FY 2003-04). If one of these patients remains at an institute for longer than 45 days, the costs of care shift to the General Fund.

- 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.

The request is based on an estimated 750 hours at a rate of \$300/hour.

Recommendation: Staff recommends approving the request. Given the significant expansion of Medicaid eligibility and behavioral health benefits, it is likely that a significant portion of the services provided through the Circle Program could be covered by Medicaid. However, because the Circle Program is currently part of CMHIP, it is classified as an institute for mental disease under federal law, which prohibits it from receiving revenue from the Medicaid program, except in very limited circumstances. The State provides funding for behavioral health care services for all *eligible* Medicaid clients. Thus, it seems prudent to evaluate the potential for the Circle Program to operate as an autonomous program separate from CMHIP, and the resulting financial impact to the State.

During the staff briefing for this request, the Committee expressed interest in potentially funding a study of the efficacy of the Circle Program. The Department estimates that such a study would cost approximately \$125,000 and take approximately 12 months to complete. The actual cost and duration would be dependent on the vendor selected through the state procurement process, as well as the scope and depth of the analysis. The Committee could choose to fund such a study prior to or in parallel with the study described above.

HCPF (7) Department of Human Services Medicaid Funded Programs

This division reflects the amount of Medicaid funds appropriated for programs administered by the Department of Human Services that are covered in this document

(G) BEHAVIORAL HEALTH SERVICES - MEDICAID FUNDING

Community Behavioral Health Administration

This line item reflects the amount of Medicaid funds appropriated for the personal services and operating expenses for the Office of Behavioral Health.

Request: The Department requests \$416,056 total funds, of which \$204,741 is General Fund, for FY 2015-16.

Recommendation: Staff recommends approving the request, which includes an increase of \$11,706 for salary increases awarded in FY 2014-15.

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

This line item reflects the amount of Medicaid funds appropriated for the Child Mental Health Treatment Act, which provides funding for mental health treatment services for children without the need for county department of human services involvement, when a dependency and neglect action is neither appropriate nor warranted.

Request: The Department requests \$122,774 total funds, of which \$60,412 is General Fund, for FY 2015-16.

Recommendation: Staff recommends an appropriation of \$124,840 total funds, of which \$61,434 is General Fund. Staff's recommendation includes an increase of \$3,282 for a 2.7 percent provider rate increase.

High Risk Pregnant Women Program

This line item reflects the amount of Medicaid funds appropriated for the "Special Connections" program for pregnant women who are eligible for Medicaid and who have alcohol and/or drug abuse problems.

Request: The Department requests \$1,479,510 total funds, of which \$728,001 is General Fund, for FY 2015-16.

Recommendation: Staff recommends an appropriation of \$1,504,412 total funds, of which \$740,321 is General Fund. Staff's recommendation includes an increase of \$39,551 for a 2.7 percent provider rate increase.

Mental Health Institutes

This line item reflects the amount of Medicaid funds appropriated for the Colorado Mental Health Institute at Pueblo. Medicaid funds support personal services, operating expenses, and pharmaceutical expenses.

Request: The Department requests \$6,000,000 total funds, of which \$2,952,600 is General Fund, for FY 2015-16.

Recommendation: Staff recommends approving the request, which does not reflect any changes from the adjusted FY 2014-15 appropriation.

Long Bill Footnotes and Requests for Information

The following Long Bill Footnotes (LBF) and Requests for Information (RFI) relate to behavioral health services administered by the Department of Human Services and are included in this Appendix:

Mental Health Community Programs

LBF #38 and RFI #2 – Mental Health First Aid

Substance Use Treatment and Prevention

LBF #39 and RFI #14 – Treatment and Detoxification Contracts – Strategies for Self-improvement and Change (SSC) curriculum

LBF #40 – Treatment and Detoxification Contracts – Incentive-based payments

RFI #1 – Cash funds that are utilized by multiple state agencies

Integrated Behavioral Health Services

LBF #41 – Rural Co-occurring Disorder Services

Mental Health Institutes

LBF #42 – Authority to transfer funds between line item appropriations

LBF 42a – Authority to spend appropriation for sanity evaluation expenses over two year period

LONG BILL FOOTNOTES

Staff recommends continuing the following footnotes:

- 41 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 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.

- 42 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 H.B. 14-1336, 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.

Staff recommends continuing the following footnotes, as amended:

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

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

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

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

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

The Department has indicated that it is not required to use an RFP process for awarding the \$210,000 General Fund that has been requested for Mental Health First Aid in FY 2015-16. The Department can renew the contract with CBHC for an additional four years (FY 2015-16 through FY 2018-19).

40 **Department of Human Services, Behavioral Health Services, Substance Use Treatment and Prevention, Treatment Services, Treatment and Detoxification Contracts** -- It is the intent of the General Assembly that the Department ~~continue to use this appropriation to fund the provision of substance use disorder treatment and detoxification services consistent with existing contract requirements. It is further the intent of the General Assembly that the Department~~ refrain from withholding ANY PORTION OF THE STATE FUNDS APPROPRIATED IN THIS SECTION ~~base funding~~ from contractors for the purpose of making subsequent incentive-based payments ~~until the Department has: (a) clearly identified the performance measures and procedures that will be used to implement performance-based payments; and (b) provided contractors with a reasonable period of time to make the data system and programmatic changes that may be necessary to achieve the Department's desired performance goals.~~

Comment: This footnote was first included in H.B. 14-1336, the FY 2014-15 Long Bill. This footnote expresses the General Assembly's intent that the Department not move forward with certain changes to its contracts with Managed Service Organizations (MSOs) until certain actions are taken.

Background Information. Staff included the following information in the briefing document dated December 9, 2014. The information was provided by MSOs, providers, and the Colorado Behavioral Healthcare Council about the proposed contract changes.

The Department's Office of Behavioral Health (OBH) contracts with four MSOs for the provision of substance use disorder treatment and detoxification services not otherwise available to people with low income in seven state regions. MSOs subcontract with local treatment providers to deliver these services. These providers vary significantly in size, ranging from a small provider with one location that might serve fewer than 130 individuals in a year to a large provider with 13 locations serving more than 23,000 individuals in a year.

Historically, reimbursement to the MSOs has been based on the number of admissions per region, including the number of admissions for certain targeted populations. In the Fall of

2013 the OBH and MSOs began negotiating the contracts for FY 2014-15 that include agreed-upon performance measures with the goals of enhanced accountability and beginning to pay for quality instead of quantity. OBH initially proposed that up to 30 percent of the base MSO funding would be dependent on meeting certain quality-related metrics. The OBH ultimately decided that 10 percent of the contract amount would be withheld each quarter; these amounts will be subsequently paid depending on the ability of MSO providers in each region to meet or exceed certain performance measures.

Generally, MSOs and providers are supportive of contracts that require accountability and improve service quality and patient outcomes. However, providers and CBHC have identified the following concerns about the Department's proposed contract changes:

Relationships

- The OBH initially did not solicit stakeholder feedback regarding the contract changes. Providers would like to understand how this effort fits into the Department's larger vision. CBHC indicates that meaningful and ongoing stakeholder participation in this process will result in greater positive outcomes for OBH, providers, and clients.
- One MSO indicated that it was hard to determine who they were negotiating with – OBH or the division within the Department that is responsible for performance contracting.

Risks to a Fragile System

- The 10 percent withhold will put more \$2.0 million of funding for MSOs at risk in a system that providers perceive to be underfunded.
- The goals are undefined and too high in some cases, especially for small providers with a small "n" that can skew performance results.
- Withheld funds will be reimbursed to providers that earn such funds 150 days after the start of a quarter (three months of client services during the quarter and two months of data collection and analysis after the close of the quarter). Many treatment providers struggle to manage the cash flow that results from this new structure. Staff salaries constitute the largest portion of a provider's budget, causing some providers to borrow money to make payroll and avoid laying off staff.
- If a provider is not able to manage the cash flow and needs to lay off staff, the ability to provide accessible, quality care will likely decline and reduce the likelihood of meeting the required performance measures.
- CBHC and MSOs have proposed allowing the MSOs to manage the full contract funding amount. This would allow MSOs to monitor the fiscal health of the providers in their network and manage the cash flow as they deem appropriate, while holding providers accountable to the agreed-upon performance measures. The MSOs would then either return the unearned funds to the State or use these funds for technical assistance to improve performance. The Department rejected this proposal.

Timing

- The Department is increasing demands on providers for system modifications and reporting functionality at the same time as the contract changes without providing funding to support the required infrastructure changes.
- Due to implementation of the enhanced substance use disorder benefit for Medicaid clients in January 2014 and the rapid expansion of the Medicaid-eligible population since January 2014, many providers have struggled to complete the necessary administrative and system changes necessary to successfully receive reimbursement for services provided to Medicaid clients. The lag in Medicaid reimbursements further exacerbates the cash flow challenge for providers.

The Committee asked the Department to respond to several questions concerning the status and impact of these contract changes during their budget hearing last December. The questions and written responses are provided below.

Describe any changes the Department has made to substance use treatment and detoxification contracts that relate to incentive-based payments. Further, describe the impact that such changes are having on the affected service providers and their clients.

The Department complied with the Long Bill, HB14-1336, and footnote #40. The Department negotiated extensively with the four Managed Services Organizations (MSO). The final contracts for FY 2014-15 (a) reflect clearly identified performance measures and procedures that will be used to implement performance-based payments; and (b) provided contractors with a reasonable period of time to make the data system and programmatic changes that may be necessary to achieve the Department's desired performance goals.

The Department made the following changes to substance use disorder treatment and detoxification contracts that relate to incentive-based payments and performance measures:

1. Specific (not all) contractual line items are subject to a 10% reimbursement that is contingent upon meeting clearly identified performance measures.
2. The Department exempted the first quarter of FY 2014-15 from the performance based reimbursement terms in order for contractors to gauge performance results and also to allow for contractors to adjust their data systems.

The overall potential impact of the performance based reimbursements for MSO contracts ranges from only 6% to 6.57% of the total contract, and not the presumed 10% of the total contract amount.

The Department directly asked the MSOs and their representatives regarding any service delivery interruptions or significant financial impacts that may be the direct result of performance based contracting. While the MSOs have reported that this impacts the historical cash flow patterns, there have not been reports of insolvency or service delivery interruption.

Detail which appropriations and fund sources are subject to the contract changes described in response to the above question. Specifically, has the \$1.5 million appropriated from the Marijuana Tax Cash Fund to the Department for treatment services for adolescents and pregnant women been subject to these contract changes?

The appropriations that are subject to the contract changes include the following Long Bill sections and line items:

- (8) Behavioral Health Services, C) Substance Use Treatment and Prevention
 - (1) Treatment Services: Treatment and Detoxification Contracts, Case Management for Chronic Detoxification Clients, Short-term Intensive Residential Remediation and Treatment (STIRRT).
 - (3) Other Programs: Community Prevention and Treatment.

The fund sources subject to the contract changes include: General Fund, federal Substance Abuse Prevention and Treatment Block Grant funds, Correctional Treatment Cash Fund pursuant to Sections 18-19-103 (3.5) (b), (3.5) (c), and (4) (a), C.R.S., Persistent Drunk Driver Cash Fund created in Section 42-3-303 (1), C.R.S. (2014).

No, the Department and the Managed Service Organizations mutually agreed that the contract changes noted in question number 27 above would not pertain to the \$1.5 million appropriated from the Marijuana Tax Cash Fund for treatment services for adolescents and pregnant women.

Recommendation. Staff recommends modifying the footnote to simply state the General Assembly's intent that the Department refrain from withholding any portion of the state funds appropriated in the Substance Use Treatment and Prevention section of the budget from contractors for the purpose of making subsequent incentive-based payments. However, staff believes it is unlikely that the Department will modify its contracting method in response to this or any other Long Bill footnote. The content and the tone of the Department's hearing response indicate that the Department does not appreciate the significant and ongoing impact the new contracts have on a provider's cash flow even if that provider meets all of the specified performance measures.

Staff recommends eliminating the following footnotes:

- 39 Department of Human Services, Behavioral Health Services, Substance Use Treatment and Prevention, Treatment Services, Treatment and Detoxification Contracts** -- It is the intent of the General Assembly that the department continue to use moneys appropriated in this line item to support the use of the Strategies for Self-improvement and Change curriculum for both residential treatment and substance use disorder outpatient treatment.

Comment: This footnote was first included in H.B. 14-1336, the FY 2014-15 Long Bill. This footnote expresses the General Assembly's intent that the Department continue to allow providers to use funding made available through this line item continue for Strategies for Self-improvement and Change (SSC) curriculum in both residential and outpatient settings.

Please see RFI #14, below, for further information and the Department's position on this issue.

- 42a Department of Human Services, Behavioral Health Services, Mental Health Institutes, Mental Health Institute - Pueblo, Personal Services** -- Up to \$499,079 of the General Fund moneys appropriated in this line item not expended prior to July 1, 2015, are further appropriated to the department for the fiscal year beginning July 1, 2015, for sanity examination-related expenses.

Comment: This footnote accompanied a one-time FY 2014-15 appropriation and is no longer necessary.

REQUESTS FOR INFORMATION (RFIs)

Staff recommends continuing the following RFI, as amended:

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, ~~2014~~, 2015, 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 that were trained and the number of educators, first responders, and military service personnel who were certified as a result of ~~FY 2013-14~~ FY 2014-15 expenditures. The Department is also requested to provide information about planned expenditures for ~~FY 2014-15~~ FY 2015-16.

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

Staff recommends eliminating the following RFI:

14. **Department of Human Services, Behavioral Health Services, Substance Use Treatment and Prevention, Treatment Services, Treatment and Detoxification Contracts** – The Department is requested to provide by November 1, 2014, a report describing the measurable outcomes it uses to determine: (a) the effectiveness of the Strategies for Self-improvement and Change (SSC) treatment curriculum and modality; and (b) whether to continue using a portion of this appropriation to support SSC for residential treatment and substance use disorder outpatient treatment.

Comment: The Department submitted a response as requested.

(a) With respect to measurable outcomes, the Department indicates that because this program is administered in the criminal justice system, it does not collect or have data to report on specific Colorado outcomes. Thus, the Department is unable to use measurable data to evaluate the effectiveness of the curriculum at this time but will work to determine how to measure the curriculum's efficacy in Colorado. However, the Department notes that the U.S.

Department of Justice cites this curriculum as a nationally validated and evidence based practice. The Department highlights the following findings for the use of SSC in Colorado:

- SSC treatment has been successfully presented in a variety of settings, including jail, prison, residential treatment, therapeutic community, and outpatient settings with positive provider ratings of program effectiveness across all settings. Seventy percent of providers rated SSC as being a great benefit to clients who achieved a high completion rate for the programs to which they were assigned.
- Providers reported that 50 to 56 percent of outpatient clients maintained substance abstinence during SSC, and 60 percent of outpatients were rated as abstaining from any criminal conduct during SSC.
- Providers rated 80 percent of SSC clients as having "fair" to "good" prognosis in the areas of alcohol and other drug use and criminal conduct.
- An average of 75 to 80 percent of SSC clients reported that their cognitive and behavioral control over alcohol and other drug use as well as criminal thinking and conduct improved during SSC.

(b) With respect to using a portion of the Treatment and Detoxification Contracts line item appropriation to support SSC for residential treatment and substance use disorder outpatient treatment, the Department indicates that while it supports the use of SSC curriculum in both residential and outpatient treatment settings, it does not recommend using this particular appropriation to cover the expense of the curriculum *within the residential setting*. The Department explains that SSC curriculum for residential services is covered by the enhanced rate paid by the Department of Public Safety, Office of Community Corrections. The agencies that comprise the Correctional Treatment Board have agreed to collaborate and coordinate coverage of the funding that each agency receives from the Correctional Treatment Cash Fund. Thus, the Department has clarified in the statement of work for a proposed contract with Managed Service Organizations that funding from the Treatment and Detoxification Contracts line item is only to be used for *outpatient care*.

JBC Staff Staff Figure Setting - FY 2015-16
Staff Working Document - Does Not Represent Committee Decision

Appendix A: Number Pages

	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Request	FY 2015-16 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. [Most mental health and substance use disorder services for Medicaid-eligible individuals are funded through the Department of Health Care Policy and Financing (HCPF).] Funding in this section also supports administration and operation of the State's two Mental Health Institutes. This section is primarily supported by General Fund, the federal Substance Abuse Prevention and Treatment Block Grant, transfers from HCPF (originating as General Fund and federal Medicaid funds), Mental Health Institute patient revenues, the federal Mental Health Services Block Grant, transfers from the Judicial Branch (originating as General Fund and drug offender surcharge revenues), tobacco litigation settlement moneys that are credited to the Offender Mental Health Services Fund, and marijuana tax revenues.

(A) Community Behavioral Health Administration

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

Personal Services	<u>4,116,344</u>	<u>4,110,516</u>	<u>4,771,833</u>	<u>4,931,808</u>	<u>4,931,808</u>
FTE	48.5	49.5	58.6	58.6	58.6
General Fund	1,215,101	1,264,817	1,323,620	1,425,472	1,425,472
Cash Funds	261,839	209,395	318,090	318,090	318,090
Reappropriated Funds	728,069	663,540	837,178	862,087	862,087
Federal Funds	1,911,335	1,972,764	2,292,945	2,326,159	2,326,159

JBC Staff Staff Figure Setting - FY 2015-16
Staff Working Document - Does Not Represent Committee Decision

	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Request	FY 2015-16 Recommendation
Operating Expenses	<u>260,889</u>	<u>270,638</u>	<u>290,180</u>	<u>290,180</u>	<u>290,180</u>
General Fund	18,729	24,381	19,679	19,679	19,679
Cash Funds	18,664	13,736	36,524	36,524	36,524
Reappropriated Funds	16,245	12,715	16,266	16,266	16,266
Federal Funds	207,251	219,806	217,711	217,711	217,711
Federal Programs and Grants	<u>90,035</u>	<u>133,850</u>	<u>2,567,997</u>	<u>2,567,997</u>	<u>2,567,997</u>
FTE	1.1	0.5	1.5	1.5	1.5
Federal Funds	90,035	133,850	2,567,997	2,567,997	2,567,997
Other Federal Grants	<u>195,993</u>	<u>284,128</u>	<u>0</u>	<u>0</u>	<u>0</u>
FTE	1.7	2.3	0.0	0.0	0.0
Federal Funds	195,993	284,128	0	0	0
Indirect Cost Assessment	<u>419,837</u>	<u>278,719</u>	<u>270,861</u>	<u>270,861</u>	<u>270,861</u>
Cash Funds	1,985	1,410	3,280	3,280	3,280
Federal Funds	417,852	277,309	267,581	267,581	267,581
SUBTOTAL - (A) Community Behavioral Health Administration	5,083,098	5,077,851	7,900,871	8,060,846	8,060,846
FTE	<u>51.3</u>	<u>52.3</u>	<u>60.1</u>	<u>60.1</u>	<u>60.1</u>
General Fund	1,233,830	1,289,198	1,343,299	1,445,151	1,445,151
Cash Funds	282,488	224,541	357,894	357,894	357,894
Reappropriated Funds	744,314	676,255	853,444	878,353	878,353
Federal Funds	2,822,466	2,887,857	5,346,234	5,379,448	5,379,448

JBC Staff Staff Figure Setting - FY 2015-16
Staff Working Document - Does Not Represent Committee Decision

	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Request	FY 2015-16 Recommendation
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(B) Mental Health Community Programs

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

Services for Indigent Mentally Ill Clients	<u>39,473,229</u>	<u>39,129,072</u>	<u>36,916,080</u>	<u>37,221,286</u>	<u>37,740,136</u> *
General Fund	32,774,850	33,029,170	30,520,602	30,825,808	31,344,658
Reappropriated Funds	0	0	161,909	161,909	161,909
Federal Funds	6,698,379	6,099,902	6,233,569	6,233,569	6,233,569
Medications for Indigent Mentally Ill Clients	<u>1,713,993</u>	<u>1,705,423</u>	<u>1,528,453</u>	<u>1,543,738</u>	<u>1,569,721</u> *
General Fund	1,713,993	1,705,423	1,528,453	1,543,738	1,569,721
School-based Mental Health Services	<u>1,146,676</u>	0	<u>1,192,973</u>	<u>1,192,973</u>	<u>1,225,183</u>
General Fund	1,146,676	0	1,192,973	1,192,973	1,225,183
Assertive Community Treatment Programs	<u>1,290,400</u>	<u>658,104</u>	<u>1,349,114</u>	<u>1,362,606</u>	<u>5,543,566</u> *
General Fund	645,200	658,104	674,557	681,303	4,850,796
Cash Funds	645,200	0	674,557	681,303	692,770
Alternatives to Inpatient Hospitalization at a Mental Health Institute	<u>3,138,615</u>	<u>3,201,657</u>	<u>3,281,698</u>	<u>3,314,515</u>	<u>3,370,304</u> *
General Fund	3,138,615	3,201,657	3,281,698	3,314,515	3,370,304
Mental Health Services for Juvenile and Adult Offenders	<u>3,360,423</u>	<u>3,297,287</u>	<u>3,268,850</u>	<u>3,268,850</u>	<u>3,061,390</u>
Cash Funds	3,360,423	3,297,287	3,268,850	3,268,850	3,061,390

JBC Staff Staff Figure Setting - FY 2015-16
Staff Working Document - Does Not Represent Committee Decision

	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Request	FY 2015-16 Recommendation
Mental Health Treatment Services for Youth (H.B. 99-1116)	<u>903,334</u>	<u>922,172</u>	<u>1,065,828</u>	<u>1,073,487</u>	<u>1,086,505</u> *
General Fund	559,106	622,172	644,270	650,713	661,665
Cash Funds	300,000	300,000	300,000	300,000	300,000
Reappropriated Funds	44,228	0	121,558	122,774	124,840
Mental Health First Aid	<u>0</u>	<u>266,730</u>	<u>750,000</u>	<u>210,000</u>	<u>210,000</u>
General Fund	0	266,730	750,000	210,000	210,000
SUBTOTAL - (B) Mental Health Community Programs	51,026,670	49,180,445	49,352,996	49,187,455	53,806,805
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	39,978,440	39,483,256	38,592,553	38,419,050	43,232,327
Cash Funds	4,305,623	3,597,287	4,243,407	4,250,153	4,054,160
Reappropriated Funds	44,228	0	283,467	284,683	286,749
Federal Funds	6,698,379	6,099,902	6,233,569	6,233,569	6,233,569

JBC Staff Figure Setting - FY 2015-16
Staff Working Document - Does Not Represent Committee Decision

	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Request	FY 2015-16 Recommendation
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(C) Substance Use Treatment and Prevention

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

(I) Treatment Services

Treatment and Detoxification Contracts	<u>22,760,820</u>	<u>30,414,104</u>	<u>25,126,051</u>	<u>23,744,586</u>	<u>23,946,096</u> *
General Fund	11,337,648	11,550,713	11,853,511	11,972,046	12,173,556
Cash Funds	331,144	331,216	1,859,905	359,905	359,905
Reappropriated Funds	760,238	760,150	1,064,688	1,064,688	1,064,688
Federal Funds	10,331,790	17,772,025	10,347,947	10,347,947	10,347,947
 Case Management for Chronic Detoxification					
Clients	<u>369,311</u>	<u>369,359</u>	<u>369,421</u>	<u>369,446</u>	<u>369,490</u> *
General Fund	2,428	2,476	2,538	2,563	2,607
Federal Funds	366,883	366,883	366,883	366,883	366,883
 Short-term Intensive Residential Remediation and					
Treatment (STIRRT)	<u>3,340,683</u>	<u>3,407,498</u>	<u>3,521,839</u>	<u>3,552,778</u>	<u>3,605,374</u> *
General Fund	2,957,367	3,018,432	3,093,893	3,124,832	3,177,428
Reappropriated Funds	383,316	389,066	427,946	427,946	427,946
 High Risk Pregnant Women Program					
Reappropriated Funds	<u>1,052,271</u>	<u>1,138,015</u>	<u>1,464,861</u>	<u>1,479,510</u>	<u>1,504,412</u> *

JBC Staff Staff Figure Setting - FY 2015-16
Staff Working Document - Does Not Represent Committee Decision

	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Request	FY 2015-16 Recommendation
SUBTOTAL - (I) Treatment Services	27,523,085	35,328,976	30,482,172	29,146,320	29,425,372
<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	14,297,443	14,571,621	14,949,942	15,099,441	15,353,591
Cash Funds	331,144	331,216	1,859,905	359,905	359,905
Reappropriated Funds	2,195,825	2,287,231	2,957,495	2,972,144	2,997,046
Federal Funds	10,698,673	18,138,908	10,714,830	10,714,830	10,714,830
(II) Prevention and Intervention					
Prevention Contracts	<u>3,874,879</u>	<u>5,390,967</u>	<u>3,982,355</u>	<u>3,982,700</u>	<u>3,983,286</u> *
General Fund	33,649	33,649	34,490	34,835	35,421
Cash Funds	15,000	21,378	121,635	121,635	121,635
Federal Funds	3,826,230	5,335,940	3,826,230	3,826,230	3,826,230
Persistent Drunk Driver Programs	<u>1,666,771</u>	<u>1,662,028</u>	<u>2,035,823</u>	<u>2,035,823</u>	<u>2,035,823</u>
Cash Funds	1,666,771	1,662,028	2,035,823	2,035,823	2,035,823
Law Enforcement Assistance Fund Contracts	<u>100,000</u>	<u>100,000</u>	<u>255,000</u>	<u>255,000</u>	<u>255,000</u>
Cash Funds	100,000	100,000	255,000	255,000	255,000
SUBTOTAL - (II) Prevention and Intervention	5,641,650	7,152,995	6,273,178	6,273,523	6,274,109
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	33,649	33,649	34,490	34,835	35,421
Cash Funds	1,781,771	1,783,406	2,412,458	2,412,458	2,412,458
Federal Funds	3,826,230	5,335,940	3,826,230	3,826,230	3,826,230
(III) Other Programs					
Federal Grants	<u>5,184,573</u>	<u>5,380,355</u>	<u>2,625,422</u>	<u>2,625,422</u>	<u>2,625,422</u>
FTE	1.1	0.0	0.0	0.0	0.0
Federal Funds	5,184,573	5,380,355	2,625,422	2,625,422	2,625,422

JBC Staff Staff Figure Setting - FY 2015-16
Staff Working Document - Does Not Represent Committee Decision

	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Request	FY 2015-16 Recommendation
Balance of Substance Abuse Block Grant Programs	<u>9,192,718</u>	<u>343,319</u>	<u>6,679,822</u>	<u>6,681,766</u>	<u>6,685,072</u> *
General Fund	185,926	189,688	194,430	196,374	199,680
Federal Funds	9,006,792	153,631	6,485,392	6,485,392	6,485,392
Community Prevention and Treatment	<u>798,282</u>	<u>782,400</u>	<u>817,217</u>	<u>817,217</u>	<u>765,348</u>
Cash Funds	798,282	782,400	817,217	817,217	765,348
Rural Substance Abuse Prevention and Treatment	<u>88,443</u>	<u>88,443</u>	<u>151,243</u>	<u>151,243</u>	<u>151,243</u>
Cash Funds	88,443	88,443	151,243	151,243	151,243
Gambling Addiction Counseling Services	<u>57,021</u>	<u>65,949</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>
Reappropriated Funds	57,021	65,949	100,000	100,000	100,000
SUBTOTAL - (III) Other Programs	15,321,037	6,660,466	10,373,704	10,375,648	10,327,085
<i>FTE</i>	<u>1.1</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	185,926	189,688	194,430	196,374	199,680
Cash Funds	886,725	870,843	968,460	968,460	916,591
Reappropriated Funds	57,021	65,949	100,000	100,000	100,000
Federal Funds	14,191,365	5,533,986	9,110,814	9,110,814	9,110,814
SUBTOTAL - (C) Substance Use Treatment and Prevention	48,485,772	49,142,437	47,129,054	45,795,491	46,026,566
<i>FTE</i>	<u>1.1</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	14,517,018	14,794,958	15,178,862	15,330,650	15,588,692
Cash Funds	2,999,640	2,985,465	5,240,823	3,740,823	3,688,954
Reappropriated Funds	2,252,846	2,353,180	3,057,495	3,072,144	3,097,046
Federal Funds	28,716,268	29,008,834	23,651,874	23,651,874	23,651,874

JBC Staff Staff Figure Setting - FY 2015-16
Staff Working Document - Does Not Represent Committee Decision

	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Request	FY 2015-16 Recommendation
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(D) Integrated Behavioral Health Services

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

Crisis Response System - Walk-in, Stabilization, Mobile, Residential, and Respite Services	<u>0</u>	<u>0</u>	<u>22,568,741</u>	<u>22,794,428</u>	<u>23,178,097</u> *
General Fund	0	0	22,568,741	22,794,428	23,178,097
Crisis Response System - Telephone Hotline	<u>0</u>	<u>659,699</u>	<u>2,355,865</u>	<u>2,379,424</u>	<u>2,419,473</u> *
General Fund	0	659,699	2,355,865	2,379,424	2,419,473
Crisis Response System - Marketing	<u>0</u>	<u>600,000</u>	<u>615,000</u>	<u>615,000</u>	<u>600,000</u>
General Fund	0	600,000	615,000	615,000	600,000
Community Transition Services	<u>0</u>	<u>2,437,827</u>	<u>7,722,398</u>	<u>9,201,667</u>	<u>5,198,520</u> *
General Fund	0	2,437,827	7,722,398	9,201,667	5,198,520
Jail-based Behavioral Health Services	<u>1,819,900</u>	<u>2,999,779</u>	<u>5,125,735</u>	<u>3,578,522</u>	<u>5,128,522</u>
Cash Funds	0	0	1,547,213	0	1,550,000
Reappropriated Funds	1,819,900	2,999,779	3,578,522	3,578,522	3,578,522
Rural Co-occurring Disorder Services	<u>0</u>	<u>324,200</u>	<u>512,500</u>	<u>517,625</u>	<u>526,338</u> *
General Fund	0	324,200	512,500	517,625	526,338

JBC Staff Staff Figure Setting - FY 2015-16
Staff Working Document - Does Not Represent Committee Decision

	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Request	FY 2015-16 Recommendation
SUBTOTAL - (D) Integrated Behavioral Health					
Services	1,819,900	7,021,505	38,900,239	39,086,666	37,050,950
<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	0	4,021,726	33,774,504	35,508,144	31,922,428
Cash Funds	0	0	1,547,213	0	1,550,000
Reappropriated Funds	1,819,900	2,999,779	3,578,522	3,578,522	3,578,522

(E) Mental Health Institutes

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

(1) Mental Health Institute - Ft. Logan

Personal Services	<u>18,927,495</u>	<u>18,367,445</u>	<u>18,043,492</u>	<u>18,597,036</u>	<u>18,687,998</u> *
FTE	224.4	229.1	217.5	218.5	218.5
General Fund	16,140,698	16,385,815	16,255,913	16,809,457	16,900,419
Cash Funds	2,734,268	1,949,875	1,619,709	1,619,709	1,619,709
Reappropriated Funds	52,529	31,755	167,870	167,870	167,870
Contract Medical Services	<u>0</u>	<u>0</u>	<u>1,269,465</u>	<u>1,269,465</u>	<u>1,269,465</u>
General Fund	0	0	1,269,465	1,269,465	1,269,465
Operating Expenses	<u>1,041,385</u>	<u>1,146,270</u>	<u>1,067,055</u>	<u>1,995,738</u>	<u>1,075,290</u> *
General Fund	882,102	986,987	907,646	1,836,329	915,881
Cash Funds	123,601	123,601	123,727	123,727	123,727
Reappropriated Funds	35,682	35,682	35,682	35,682	35,682

JBC Staff Staff Figure Setting - FY 2015-16
Staff Working Document - Does Not Represent Committee Decision

	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Request	FY 2015-16 Recommendation
Capital Outlay	0	0	0	0	920,448 *
General Fund	0	0	0	0	920,448
Pharmaceuticals	<u>805,441</u>	<u>1,131,750</u>	<u>1,353,110</u>	<u>1,353,110</u>	<u>1,353,110</u>
General Fund	667,543	993,851	1,215,211	1,215,211	1,215,211
Cash Funds	107,007	107,007	107,007	107,007	107,007
Reappropriated Funds	30,891	30,892	30,892	30,892	30,892
SUBTOTAL - (1) Mental Health Institute - Ft.					
Logan	20,774,321	20,645,465	21,733,122	23,215,349	23,306,311
FTE	<u>224.4</u>	<u>229.1</u>	<u>217.5</u>	<u>218.5</u>	<u>218.5</u>
General Fund	17,690,343	18,366,653	19,648,235	21,130,462	21,221,424
Cash Funds	2,964,876	2,180,483	1,850,443	1,850,443	1,850,443
Reappropriated Funds	119,102	98,329	234,444	234,444	234,444
(2) Mental Health Institute - Pueblo					
Personal Services	<u>65,591,227</u>	<u>65,082,366</u>	<u>67,999,185</u>	<u>70,346,006</u>	<u>68,237,362</u> *
FTE	954.7	993.1	990.5	998.8	977.5
General Fund	53,694,988	56,493,778	57,802,395	58,951,151	58,261,212
Cash Funds	6,745,490	5,640,594	4,157,888	4,157,888	3,954,220
Reappropriated Funds	5,150,749	2,947,994	6,038,902	7,236,967	6,021,930
Contract Medical Services	0	0	<u>3,589,425</u>	<u>3,589,425</u>	<u>3,589,425</u>
General Fund	0	0	3,589,425	3,589,425	3,589,425
Operating Expenses	<u>4,858,475</u>	<u>5,262,458</u>	<u>5,388,368</u>	<u>6,322,454</u>	<u>5,491,542</u> *
General Fund	2,647,509	4,425,217	2,859,502	4,806,348	2,781,908
Cash Funds	403,362	345,086	403,435	403,435	399,247
Reappropriated Funds	1,807,604	492,155	2,125,431	1,112,671	2,310,387

JBC Staff Staff Figure Setting - FY 2015-16
Staff Working Document - Does Not Represent Committee Decision

	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Request	FY 2015-16 Recommendation
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>790,955</u> *
General Fund	0	0	0	0	790,955
Pharmaceuticals	<u>2,930,675</u>	<u>3,304,236</u>	<u>3,975,515</u>	<u>3,180,321</u>	<u>3,127,321</u>
General Fund	2,321,479	2,660,547	3,331,826	2,536,632	2,483,632
Cash Funds	297,405	297,405	297,405	297,405	297,405
Reappropriated Funds	311,791	346,284	346,284	346,284	346,284
Educational Programs	<u>433,739</u>	<u>361,632</u>	<u>138,640</u>	<u>138,640</u>	<u>205,909</u> *
FTE	2.2	2.2	2.7	2.7	2.7
General Fund	38,214	34,555	0	(34,107)	52,720
Reappropriated Funds	99,066	104,085	138,640	172,747	153,189
Federal Funds	296,459	222,992	0	0	0
Jail-based Competency Restoration Program	<u>0</u>	<u>1,424,610</u>	<u>2,505,495</u>	<u>2,529,889</u>	<u>2,571,359</u> *
FTE	0.0	1.0	1.0	1.0	1.0
General Fund	0	1,424,610	2,505,495	2,529,889	2,571,359
Circle Program	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,138,959</u> *
FTE	0.0	0.0	0.0	0.0	21.3
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	2,121,638
Reappropriated Funds	0	0	0	0	17,321
Circle Program Business Plan Analysis	<u>0</u>	<u>0</u>	<u>0</u>	<u>225,000</u>	<u>225,000</u>
FTE	0.0	0.0	0.0	0.0	0.0
General Fund	0	0	0	225,000	225,000

JBC Staff Staff Figure Setting - FY 2015-16
Staff Working Document - Does Not Represent Committee Decision

	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Request	FY 2015-16 Recommendation
SUBTOTAL - (2) Mental Health Institute - Pueblo	73,814,116	75,435,302	83,596,628	86,331,735	86,377,832
<i>FTE</i>	<u>956.9</u>	<u>996.3</u>	<u>994.2</u>	<u>1002.5</u>	<u>1002.5</u>
General Fund	58,702,190	65,038,707	70,088,643	72,604,338	70,756,211
Cash Funds	7,446,257	6,283,085	4,858,728	4,858,728	6,772,510
Reappropriated Funds	7,369,210	3,890,518	8,649,257	8,868,669	8,849,111
Federal Funds	296,459	222,992	0	0	0
SUBTOTAL - (E) Mental Health Institutes	94,588,437	96,080,767	105,329,750	109,547,084	109,684,143
<i>FTE</i>	<u>1,181.3</u>	<u>1,225.4</u>	<u>1,211.7</u>	<u>1,221.0</u>	<u>1,221.0</u>
General Fund	76,392,533	83,405,360	89,736,878	93,734,800	91,977,635
Cash Funds	10,411,133	8,463,568	6,709,171	6,709,171	8,622,953
Reappropriated Funds	7,488,312	3,988,847	8,883,701	9,103,113	9,083,555
Federal Funds	296,459	222,992	0	0	0
TOTAL - (8) Behavioral Health Services	201,003,877	206,503,005	248,612,910	251,677,542	254,629,310
<i>FTE</i>	<u>1,233.7</u>	<u>1,277.7</u>	<u>1,271.8</u>	<u>1,281.1</u>	<u>1,281.1</u>
General Fund	132,121,821	142,994,498	178,626,096	184,437,795	184,166,233
Cash Funds	17,998,884	15,270,861	18,098,508	15,058,041	18,273,961
Reappropriated Funds	12,349,600	10,018,061	16,656,629	16,916,815	16,924,225
Federal Funds	38,533,572	38,219,585	35,231,677	35,264,891	35,264,891