

The following file contains three documents:

- A memorandum to the Joint Budget Committee members dated March 17, 2014. This memorandum provides a revised recommendation for the Treatment and Detoxification Contracts line item appropriation.
- A memorandum to the Joint Budget Committee members dated March 11, 2014. This memorandum provides a draft of a request for information concerning Mental Health First Aid.
- A memorandum to the Joint Budget Committee members dated March 11, 2014. This memorandum provides a revised recommendation for the Gambling Addiction Counseling Services line item for FY 2014-15.
- A document dated March 5, 2014, titled "FY 2014-15 Staff Figure Setting: Department of Human Services (Behavioral Health Services)". This document includes staff recommendations related the Behavioral Health section of the Department of Human Services' budget request for FY 2014-15.

MEMORANDUM

TO: Joint Budget Committee

FROM: Carolyn Kampman, JBC Staff

SUBJECT: Revised Recommendation for Treatment and Detoxification Contracts

DATE: March 17, 2014

On March 5 the Committee approved staff's recommendation to appropriate a total of \$23,930,892 for the Department of Human Services' Treatment and Detoxification Contracts line item for FY 2014-15. This amount included the continuation of \$275,706 reappropriated funds that are transferred from the Department of Public Safety. Staff has since learned that this transfer has not occurred for some time, so the spending authority is no longer necessary. Thus, **staff requests that the Committee approve a revised recommendation of \$23,655,186 for the Treatment and Detoxification Contracts line item for FY 2014-15**, as detailed in the following table.

	Initial Recommendation	Revised Recommendation	Change
Total Funds	<u>\$23,930,892</u>	<u>\$23,655,186</u>	<u>(\$275,706)</u>
General Fund	11,911,333	11,911,333	0
Cash Funds	331,218	331,218	0
Reappropriated Funds	1,340,394	1,064,688	(275,706)
Federal Funds	10,347,947	10,347,947	0

Background Information - Treatment and Detoxification Contracts line item

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 41 local treatment providers with locations around the state to deliver these services.

The Department requested \$23,580,038 (including \$11,737,867 General Fund). The request included an increase of \$173,466 for a 1.5 percent provider rate increase (R12) applied to the General Fund portion of the appropriation. The Committee approved a staff recommendation to appropriate \$23,930,892 (including \$11,911,333 General Fund). Staff's recommendation included a 3.0 percent provider rate increase, as well as changes related to allocations from the Correctional Treatment Cash Fund that were not reflected in the request.

MEMORANDUM

TO: Joint Budget Committee

FROM: Carolyn Kampman, JBC Staff

SUBJECT: Request for Information Concerning Mental Health First Aid

DATE: March 11, 2014

The supplemental bill for the Department of Human Services (H.B. 14-1238) included an appropriation of \$266,730 General Fund for mental health first aid training. This funding is intended to cover the cost of training 90 instructors and certifying 1,860 individuals, and to support statewide outreach, promotion, and coordination of mental health first aid curriculum that is focused on youth. This appropriation was accompanied by the following footnote:

It is the intent of the General Assembly that \$253,830 of 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. It is further the intent of the General Assembly that \$12,900 of this appropriation be used for the purpose of supporting statewide outreach, promotion, and coordination of Youth Mental Health First Aid.

On March 5, the Committee approved the Department's request for \$750,000 General Fund for FY 2014-15 for mental health first aid training. This funding is intended to cover the cost of training 180 instructors and certifying 6,750 individuals. The Committee also approved the following footnote to accompany the appropriation:

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.

As requested, staff has drafted a new request for information to ensure that the General Assembly receives information about the use and impact of this state funding.

N 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, 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 EXPENDITURES. THE DEPARTMENT IS ALSO REQUESTED TO PROVIDE INFORMATION ABOUT PLANNED EXPENDITURES FOR FY 2014-15.

MEMORANDUM

TO: Joint Budget Committee

FROM: Carolyn Kampman, JBC Staff

SUBJECT: Revised Recommendation for Gambling Addiction Counseling Services

DATE: March 11, 2014

On March 5 the Committee approved the Department of Human Services' request for a continuation level of funding (\$70,000 reappropriated funds) for the Gambling Addiction Counseling Services line item. This line item supports the provision of gambling addiction counseling services to Colorado residents, and is supported by 2.0 percent of the gaming tax revenues that are annually transferred to the Local Government Limited Gaming Impact Fund¹. This program was affected by both S.B. 13-173 (concerning a sunset review for Division of Gaming) and S.B. 13-133 (concerning the distribution of the state share of limited gaming fund revenues).

The annual transfer to the Local Government Limited Gaming Impact Fund is now \$5,000,000, so \$100,000 is now annually transferred to the Gambling Addiction Account. The Department has confirmed that \$100,000 has been transferred to this Account in FY 2013-14, so it will be available for expenditure in FY 2014-15. Thus, **staff requests that the Committee approve a revised recommendation of \$100,000 reappropriated funds for the Gambling Addiction Counseling Services line item for FY 2014-15.** [The Committee has already approved a \$5,000,000 appropriation to the Department of Local Affairs, so no corresponding adjustment is necessary for that department.]

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

**COLORADO GENERAL ASSEMBLY
JOINT BUDGET COMMITTEE**



**FY 2014-15 STAFF FIGURE SETTING
DEPARTMENT OF HUMAN SERVICES
(Behavioral Health Services)**

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

**Prepared By:
Carolyn Kampman, JBC Staff
March 5, 2014**

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DEPARTMENT OF HUMAN SERVICES

Department Overview

This Joint Budget Committee staff figure setting document concerns the Department of Human Services' Office of Behavioral Health, which is responsible for policy development, service provision and coordination, program monitoring and evaluation, and administrative oversight of the State's public behavioral health system. Funding in this section generally supports community-based mental health and substance use disorder services for indigent individuals who are not eligible for Medicaid¹. 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 restoration to competency; (b) individuals who have been found to be not guilty by reason of insanity; and (c) adults and adolescents who are referred for admission by the community mental health centers, county departments of social services, or the Division of Youth Corrections.

DEPARTMENT REQUEST AND RECOMMENDATION SUMMARY

Executive Request

The Department of Human Services requests a total of \$241.7 million (including \$176.0 million General Fund) and 1,241.2 FTE for Behavioral Health Services for FY 2014-15. The request represents an increase of \$25.3 million (11.7 percent) compared to existing appropriations for FY 2013-14, including a \$24.6 million (16.3 percent) increase in General Fund appropriations. The increase in General Fund appropriations primarily includes the following:

- The reversal of mid-year FY 2013-14 reductions totaling \$10.6 million due to delays in the implementation of a behavioral health crisis response system and community transition services;
- An increase of \$5.2 million to provide a full 12 months of funding for the crisis response system;
- An increase of \$4.8 million to provide a full 12 months of funding for three budget initiatives approved for 2013-14 to strengthen the behavioral health system and modernize treatment services at the mental health institutes;

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

- The transfer of \$3.8 million from other sections of the Department's budget, including \$2.6 million for salary increases awarded in FY 2013-14 and \$1.2 million for school-based behavioral health services from the Office of Early Childhood;
- An increase of \$1.6 million to cover the costs of purchasing outside medical care for patients at the mental health institutes;
- An increase of \$1.3 million for a 1.5 percent increase in community provide rate increases; and
- A reduction of \$3.3 million to reflect the full impact of S.B. 13-200 (Expand Medicaid eligibility).

Staff Recommendation

Staff recommends three adjustments to FY 2013-14 appropriations, including a reduction of \$1.2 million General Fund, based on anticipated under expenditures related to implementation delays.

For FY 2014-15, staff recommends appropriations for Behavioral Health Services totaling \$244.4 million (including \$177.4 million General Fund) and 1,241.2 FTE. Staff's recommendation is \$2.7 million higher than the Department's request, primarily related to the following differences:

- The recommendation includes an additional \$1,365,333 (including \$1,332,246 General Fund) for a 3.0 percent (rather than the requested 1.5 percent) provider rate increase;
- The recommendation includes a \$781,000 increase in reappropriated funds transferred from the Judicial Department based on additional allocations proposed by the Correctional Treatment Board;
- The recommendation includes increases in cash fund spending authority totaling \$512,800 to reduce excess balances in four substance use-related cash funds; and
- The recommendation includes continuation of the \$60,000 General Fund mid-year increase that was provided for FY 2013-14 to ensure that funding is adequate to provide services to all youth eligible for services under the Child Mental Health Treatment Act.

The following table summarizes the staff recommendation for FY 2013-14 appropriations adjustments and appropriations for FY 2014-15, followed by brief descriptions of each recommended incremental change.

JBC Staff Figure Setting – FY 2014-15
Staff Working Document – Does Not Represent Committee Decision

Behavioral Health Services							
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE	
FY 2013-14 Appropriation							
SB 13-230 (Long Bill)	\$208,295,172	\$141,435,991	\$17,368,821	\$14,350,731	\$35,139,629	1,234.7	
Other legislation	16,854,754	16,784,754	0	70,000	0	0.7	
H.B. 14-1238 (Supplemental Bill)	(8,732,116)	(6,864,084)	(2,091,431)	223,399	0	0.0	
Recommended adjustment to be included in FY 2014-15 Long Bill	<u>(1,128,362)</u>	<u>(1,164,609)</u>	<u>0</u>	<u>36,247</u>	<u>0</u>	<u>0.3</u>	
TOTAL	\$215,289,448	\$150,192,052	\$15,277,390	\$14,680,377	\$35,139,629	1,235.7	
FY 2014-15 Recommended Appropriation							
FY 2013-14 Appropriation	\$215,289,448	\$150,192,052	\$15,277,390	\$14,680,377	\$35,139,629	1,235.7	
Reverse supplemental	11,552,845	11,552,845	0	0	0	0.0	
Annualize prior year budget actions	4,764,373	4,764,373	0	0	0	0.7	
Annualize salary survey and merit pay increases	2,789,097	2,651,041	12,884	33,124	92,048	0.0	
R12 Community provider rate	2,694,215	2,628,040	19,743	46,432	0	0.0	
Annualize prior year legislation	1,939,639	1,939,639	0	0	0	0.1	
R10 Outside medical expenses	1,598,792	1,598,792	0	0	0	0.0	
R23 Department reorganization	1,198,792	1,198,792	0	0	0	0.0	
Allocation of Correctional Treatment CF increase	781,000	0	0	781,000	0	0.0	
Increase spending authority to reduce cash fund balances	512,800	0	512,800	0	0	0.0	
R15 Mental health first aid (incremental change)	483,270	483,270	0	0	0	0.0	
R14 Psychiatrist base salary adjustment	448,580	448,580	0	0	0	0.0	
Non-prioritized requested changes	440,073	0	0	440,073	0	0.2	
R11 MHIs electronic health record system	309,159	309,159	0	0	0	4.5	
BA6 MHI medical services (incremental change)	(378,854)	(378,854)	0	0	0	0.0	
Other	<u>8,139</u>	<u>(12,207)</u>	<u>6,390</u>	<u>13,956</u>	<u>0</u>	<u>0.0</u>	
TOTAL	\$244,431,368	\$177,375,522	\$15,829,207	\$15,994,962	\$35,231,677	1,241.2	
Increase/(Decrease)	\$28,629,120	\$27,183,470	\$551,817	\$1,314,585	\$92,048	5.5	
Percentage Change	13.3%	18.1%	3.6%	9.0%	0.3%	0.4%	
FY 2014-15 Executive Request:	\$241,696,508	\$175,979,754	\$15,300,345	\$15,184,732	\$35,231,677	1,241.2	
Request Above/(Below) Recommendation	(\$2,734,860)	(\$1,395,768)	(\$528,862)	(\$810,230)	\$0	0.0	

Issue Descriptions

FY 2013-14

Recommended adjustment to be included in the FY 2014-15 Long Bill: The recommendation includes three adjustments to existing FY 2013-14 appropriations:

- a reduction of \$1,013,809 General Fund to reflect an anticipated under expenditure in the appropriation for alternative living residence services due to implementation delays;

- a reduction of \$150,800 General Fund to reflect an anticipated under expenditure of the appropriation for co-occurring behavioral health treatment services in southern Colorado and the Arkansas Valley; and
- an increase of \$36,247 reappropriated funds and 0.3 FTE to allow the Department of Human Services to receive additional moneys transferred from the Department of Corrections for the provision of meals for more inmates at the La Vista facility in Pueblo.

FY 2014-15

Reverse Supplemental: The recommendation includes an increase of \$11,552,845 General Fund to reverse several mid-year FY 2013-14 funding changes, including the following:

- an increase of \$10,131,956 for the behavioral health crisis response system;
- an increase of \$1,477,937 for community transition services;
- an increase of \$150,800 for co-occurring behavioral health treatment services in southern Colorado and the Arkansas Valley; and
- a reduction of \$207,848 that was provided to temporarily offset reductions in federal funding for community mental health centers.

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

- an increase of \$4,444,176 General Fund to improve the capacity to deliver community-based behavioral health stabilization services (FY 2013-14 budget request R3B);
- an increase of \$391,363 General Fund and 0.1 FTE to increase access to civil beds through the operation of a jail-based restoration program for defendants who have been determined by the court to be incompetent to proceed in their criminal cases (FY 2013-14 budget request R3A); and
- a decrease of \$71,166 General Fund and an increase of 0.6 FTE to implement trauma informed care best practices at the mental health institutes (FY 2013-14 budget request R7).

Annualize salary survey and merit pay increases: The recommendation reflects the allocation of FY 2013-14 salary increases to each respective line item that supports employee salaries (primarily staff at the mental health institutes).

R12 Community provider rate: The recommendation includes \$2.7 million for a 3.0 percent community provider rate increase.

Annualize prior year legislation: The recommendation includes adjustments related to prior year legislation, including the following:

- an increase of \$5,199,013 General Fund and 0.1 FTE for the creation of a coordinated behavioral health crisis response system, including telephone hotlines, marketing, mobile response, stabilization units, and respite services (S.B. 13-266); and
- a decrease of \$3,259,374 General Fund to reflect the impact of expanded Medicaid eligibility on the population served through the Department's mental health community programs for indigent mentally ill clients (S.B. 13-200).

R10 Outside medical expenses: The recommendation includes an increase of \$1,598,792 General Fund to cover the costs of outside medical care for patients at the mental health institutes.

R23 Department reorganization: The recommendation reflects the transfer of funding for school-based mental health services from the Office of Early Childhood.

Allocation of Correctional Treatment CF increase: The recommendation includes a \$781,000 increase in reappropriated funds transferred from the Judicial Department based on additional allocations proposed by the Correctional Treatment Board.

Increase spending authority to reduce cash fund balances: The recommendation includes an increase of \$512,800 cash funds to reduce excess balances in four substance use-related cash funds.

R15 Mental health first aid (incremental change): The recommendation includes an increase of \$483,270 General Fund to expand the availability of mental health first aid instructor and certification courses.

R14 Psychiatrist base salary adjustment: The recommendation includes \$448,580 General Fund to increase salaries for the psychiatrists at the mental health institutes in order to fill vacant positions and improve retention.

Non-prioritized requested changes: The recommendation includes an increase of \$440,073 reappropriated funds transferred from the Department of Corrections (DOC) and 0.2 FTE for the provision of meals to DOC's facilities on the Pueblo campus.

R11 MHIs electronic health record system: The recommendation includes \$309,159 General Fund and 4.5 FTE for personal services and operating expenses to oversee, analyze, and support the design and implementation of an electronic health record (EHR) system for the mental health institutes.

BA6 MHI medical services (incremental change): The recommendation includes a reduction (compared to the adjusted FY 2013-14 appropriation) for mental health institute expenditures related to contract medical staff, contract medical services, catastrophic medical expenses, and related ancillary services.

Other: The recommendation includes other adjustments related to tobacco settlement moneys, mail and postage expenses, and fund source adjustments.

(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. Funding in this section supports community-based mental health and substance use disorder services for indigent individuals who are not eligible for Medicaid². Funding in this section also supports administration and operation of the State's two mental health institutes.

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;
- federal Medicare and mental health institute patient revenues;
- transfers from the Judicial Department, which originate as General Fund and drug offender surcharge 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).

² Mental health and substance use disorder services for Medicaid-eligible individuals are funded through the Department of Health Care Policy and Financing.

The Department indicates that the block grant MOE requirements will not impact the FY 2014-15 budget. Rather, the FY 2014-15 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 2014-15. In addition, while a shift of state mental health expenditures from the DHS to HCPF would 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) would 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

➔ R23 Long Bill reorganization

Request: The Department submitted a request to change the organization of the Long Bill so that it aligns with the Department's administrative and operational structure. On February 4, 2014, Megan Davisson presented a recommendation to the Committee to deny the overall request, but to consider approving specific Long Bill modifications that individual JBC analysts may recommend through the figure setting process. The Committee approved this recommendation.

Recommendation: Staff recommends that the Committee approve the Department's proposal to move the subsection that supports the mental health institutes to the end of the Behavioral Health Services section so that all community-based services appear consecutively.

In addition, staff proposes several changes to subsection headings and line item names to more clearly convey the nature of appropriations. Staff also recommends combining two federal grant line items, and splitting out the crisis response system appropriations into three (rather than two) line items. Staff has shared all of the proposed changes with the Department, and the Department supports the proposed changes. On the next two pages, staff has provided a side-by-side comparison of the current Long Bill format and the recommended format. The remainder of this document is organized based on the recommended Long Bill format.

*JBC Staff Figure Setting – FY 2014-15
Staff Working Document – Does Not Represent Committee Decision*

Existing Structure	Proposed Structure	Notes
(8) BEHAVIORAL HEALTH SERVICES	(8) BEHAVIORAL HEALTH SERVICES	
(A) Administration	(A) Community Behavioral Health Administration	Rename to more accurately reflect scope
Personal Services	Personal Services	
Operating Expenses	Operating Expenses	
Indirect Cost Assessment		
Federal Programs and Grants	Federal Programs and Grants	Combine two federal grant line items
Other Federal Grants		
	Indirect Cost Assessment	Move to end of subsection like other agencies
(B) Mental Health Community Programs	(B) Mental Health Community Programs	
<i>(1) Mental Health Services for the Medically Indigent</i>		Eliminate sub-headings
Services for Indigent Mentally Ill Clients	Services for Indigent Mentally Ill Clients	
Medications for Indigent Mentally Ill Clients	Medications for Indigent Mentally Ill Clients	
School-based Mental Health Services	School-based Mental Health Services	
Assertive Community Treatment Programs	Assertive Community Treatment Programs	
Alternatives to Inpatient Hospitalization at a Mental Health Institute	Alternatives to Inpatient Hospitalization at a Mental Health Institute	
Mental Health Services for Juvenile and Adult Offenders	Mental Health Services for Juvenile and Adult Offenders	
Mental Health First Aid		
<i>(2) Residential Treatment for Youth (H.B. 99-1116)</i>	Mental Health Treatment Services for Youth (H.B. 99-1116)	Rename to reflect non-residential services
	Mental Health First Aid	Move to end based on magnitude of appropriation
(C) Mental Health Institutes	(E) Mental Health Institutes	Move subsection to end of section
	<i>(1) Mental Health Institute - Ft. Logan</i>	Add sub-headings and shorten line items to make more readable
Mental Health Institute - Ft. Logan Personal Services	Personal Services	
	Contract Medical Services	Proposed by Department through R10
Mental Health Institute - Ft. Logan Operating Expenses	Operating Expenses	
Mental Health Institute - Ft. Logan Pharmaceuticals	Pharmaceuticals	
	<i>(2) Mental Health Institute - Pueblo</i>	
Mental Health Institute - Pueblo Personal Services	Personal Services	
	Contract Medical Services	Proposed by Department through R10
Mental Health Institute - Pueblo Operating Expenses	Operating Expenses	
Mental Health Institute - Pueblo Pharmaceuticals	Pharmaceuticals	
Mental Health Institute - Pueblo Educational Programs	Educational Programs	
Jail-based Restoration Program	Jail-based Competency Restoration Program	Rename to clarify nature of services

*JBC Staff Figure Setting – FY 2014-15
Staff Working Document – Does Not Represent Committee Decision*

Existing Structure	Proposed Structure	Notes
(D) Alcohol and Drug Abuse Division	(C) Substance Use Treatment and Prevention	Update and reflect nature of services
<i>(1) Treatment Services</i>	<i>(1) Treatment Services</i>	
Treatment and Detoxification Contracts	Treatment and Detoxification Contracts	
Case Management for Chronic Detoxification Clients	Case Management for Chronic Detoxification Clients	
Short-term Intensive Residential Remediation and Treatment (STIRRT)	Short-term Intensive Residential Remediation and Treatment (STIRRT)	
High Risk Pregnant Women Program	High Risk Pregnant Women Program	
<i>(2) Prevention and Intervention</i>	<i>(2) Prevention and Intervention</i>	
Prevention Contracts	Prevention Contracts	
Persistent Drunk Driver Programs	Persistent Drunk Driver Programs	
Law Enforcement Assistance Fund Contracts	Law Enforcement Assistance Fund Contracts	
<i>(3) Other Programs</i>	<i>(3) Other Programs</i>	
Federal Grants	Federal Grants	
Balance of Substance Abuse Block Grant Programs	Balance of Substance Abuse Block Grant Programs	
Community Prevention and Treatment	Community Prevention and Treatment	
Rural Substance Abuse Prevention and Treatment	Rural Substance Abuse Prevention and Treatment	
Gambling Addiction Counseling Services	Gambling Addiction Counseling Services	
(E) Co-occurring Behavioral Health Services	(D) Integrated Behavioral Health Services	Rename to reflect nature of services, not limiting services to clients with co-occurring disorders
Crisis Response System - Stabilization Units, Mobile Response, Respite Services, and Marketing	Crisis Response System - Walk-in, Stabilization, Mobile, Residential, and Respite Services	List services per statute
Crisis Response System - Telephone Hotlines	Crisis Response System - Telephone Hotline	Reflect singular nature
	Crisis Response System - Marketing	Split out marketing separately (based on contract)
Community Transition Services	Community Transition Services	
Substance Use Disorder Offender Services (H.B. 10-1352)	Jail-based Behavioral Health Services	Use more common, descriptive name and eliminate bill reference; move after Community Transition Services due to magnitude of appropriation
Co-occurring Behavioral Health Services	Rural Co-occurring Disorder Services	Rename to reflect nature of services and geographic focus

➔ R12 Community provider rate

Request: The Department's request includes funding a 1.5 percent provider rate increase. A total of \$1,363,778 (including \$1,330,690 General Fund) is requested for line items within the Behavioral Health Services section of the budget.

Recommendation: As detailed in the following table, the recommendation includes a total of \$2,729,111 (including \$2,662,936 General Fund) for a 3.0 percent provider rate increase, consistent with Committee policy.

Summary of Recommendation for R12: Community Provider Rate (3.0%)				
Subsection/Line Item	Total Funds	General Fund	Cash Funds	Reappropriated Funds
<u>(8) Behavioral Health Services</u>				
<i>(B) Mental Health Community Programs</i>				
Services for Indigent Mentally Ill Clients	\$893,286	\$893,286	\$0	\$0
Medications for Indigent Mentally Ill Clients	44,735	44,735	0	0
School-based Mental Health Services 1/	34,916	34,916	0	0
Assertive Community Treatment Programs	39,486	19,743	19,743	0
Alternatives to Inpatient Hospitalization at a Mental Health Institute	96,050	96,050	0	0
Mental Health Treatment Services for Youth (H.B. 99-1116)	<u>22,415</u>	<u>18,857</u>	<u>0</u>	<u>3,558</u>
Subtotal	1,130,888	1,107,587	19,743	3,558
<i>(C) Substance Use Treatment and Prevention</i>				
Treatment and Detoxification Contracts	346,932	346,932	0	0
Case Management for Chronic Detoxification Clients	74	74	0	0
Short-term Intensive Residential Remediation and Treatment (STIRRT)	90,533	90,533	0	0
High Risk Pregnant Women Program	42,874	0	0	42,874
Prevention Contracts	1,009	1,009	0	0
Balance of Substance Abuse Block Grant Programs	<u>5,691</u>	<u>5,691</u>	<u>0</u>	<u>0</u>
Subtotal	487,113	444,239	0	42,874
<i>(D) Integrated Behavioral Health Services</i>				
Crisis Response System - Walk-in, Stabilization, Mobile, Residential, and Respite Services	660,549	660,549	0	0
Crisis Response System - Telephone Hotline	68,952	68,952	0	0
Crisis Response System - Marketing	18,000	18,000	0	0
Community Transition Services	266,651	266,651	0	0
Rural Co-occurring Disorder Services	<u>15,000</u>	<u>15,000</u>	<u>0</u>	<u>0</u>
Subtotal	1,029,152	1,029,152	0	0

*JBC Staff Figure Setting – FY 2014-15
Staff Working Document – Does Not Represent Committee Decision*

Summary of Recommendation for R12: Community Provider Rate (3.0%)				
Subsection/Line Item	Total Funds	General Fund	Cash Funds	Reappropriated Funds
<i>(E) Mental Health Institutes</i>				
<i>(1) Mental Health Institute - Ft. Logan</i>				
Personal Services (contracts with peer specialists)	3,594	3,594	0	0
<i>(2) Mental Health Institute - Pueblo</i>				
Personal Services (contracts with peer specialists)	7,189	7,189	0	0
Jail-based Restoration Program	<u>71,175</u>	<u>71,175</u>	<u>0</u>	<u>0</u>
Subtotal	81,958	81,958	0	0
Total for Behavioral Health Services	\$2,729,111	\$2,662,936	\$19,743	\$46,432
1/ The provider rate increase for this line item was included in Robin Smart's figure setting recommendations concerning the Office of Early Childhood (document dated 02/27/14).				

➔ NPI HCPF BA10 Enhanced FMAP

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). Specifically, Colorado's FMAP is scheduled to increase from 50.00 percent to 51.01 percent, effective October 1, 2014. 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 will apply the correct fund splits to each line item appropriation in HCPF that corresponds to a line item in this section of the DHS budget.

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).

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.

JBC Staff Figure Setting – FY 2014-15
Staff Working Document – Does Not Represent Committee Decision

Staffing Summary	FY 2012-13	FY 2013-14	FY 2014-15	
Community Behavioral Health Administration	Actual	Appropriation	Request	Recomm.
Administrative Support*	7.3	9.5	9.5	9.5
Child, Adolescent and Family Programs	0.8	1.0	1.0	1.0
Community Treatment & Recovery Programs	3.6	4.5	4.5	4.5
Contract and Finance	5.8	7.6	7.6	7.6
Data and Evaluation	5.7	7.8	7.8	7.8
Management	2.8	3.4	3.4	3.4
Prevention Programs	3.4	3.1	3.1	3.1
Quality Assurance and Standards	17.2	19.4	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	48.5	58.5	58.6	58.6

*Administrative Support positions provide assistance to other Community Behavioral Health program areas.

Request: The Department requests \$4,771,833 total funds (including \$1,323,620 General Fund) and 58.6 FTE.

Recommendation: Staff recommends approving the request. The calculation is detailed in the following table.

Behavioral Health Services, Community Behavioral Health Administration, Personal Services						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation						
SB 13-230 (Long Bill)	\$4,527,215	\$1,214,878	\$305,206	\$804,054	\$2,203,077	57.8
Other legislation	<u>51,100</u>	<u>51,100</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.7</u>
TOTAL	\$4,578,315	\$1,265,978	\$305,206	\$804,054	\$2,203,077	58.5
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	\$4,578,315	\$1,265,978	\$305,206	\$804,054	\$2,203,077	58.5
Annualize salary survey and merit pay increases	187,396	51,520	12,884	33,124	89,868	0.0
Annualize S.B. 13-266	<u>6,122</u>	<u>6,122</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.1</u>
TOTAL	\$4,771,833	\$1,323,620	\$318,090	\$837,178	\$2,292,945	58.6
Increase/(Decrease)	\$193,518	\$57,642	\$12,884	\$33,124	\$89,868	0.1
Percentage Change	4.2%	4.6%	4.2%	4.1%	4.1%	0.2%
FY 2014-15 Executive Request:	\$4,771,833	\$1,323,620	\$318,090	\$837,178	\$2,292,945	58.6
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	(0.0)

Operating Expenses

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

Request: The Department requests \$290,180 (including \$19,679 General Fund). The request reflects a reduction of \$4,703 to eliminate one-time funding provided through S.B. 13-266.

Recommendation: Staff recommends approving the request.

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.

Request: The Department requests \$2,309,788 federal funds and 1.5 FTE. The request includes \$2,180 to annualize salary survey and merit pay increases awarded in FY 2013-14.

Recommendation: Staff recommends approving the request.

Other Federal Grants

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

Request: The Department requests a continuation level of funding (\$258,209 federal funds).

Recommendation: Staff recommends approving the request. In addition, staff recommends combining the funding in this line item with the above line item. Prior to FY 2011-12, the Long bill included two separate administrative sections – one for mental health programs, and one for the Alcohol and Drug Abuse Division. When these two sections were combined in FY 2011-12, these two federal grant line items were moved into this subsection. Given that these two line items are informational, and given the general movement toward integration of mental health and substance use disorder services, staff recommends reflecting a single line item for federal discretionary grants that are administered by the Office of Behavioral Health.

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.

Supportive Housing and Homeless Program

This program was transferred to the Department of Local Affairs through H.B. 11-1230.

(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.

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) to provide mental health services to "medically indigent" individuals who:

- have an income less than 300 percent of the federal poverty level;
- are not eligible for Medicaid; and
- do not receive mental health care from any other source.

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 2013-14, funding sources include the following:

- General Fund (\$32,986,320);
- 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 \$36.6 million (including \$30.2 million General Fund). The request includes an increase of \$446,643 for a 1.5 percent provider rate increase (R12) applied to the continuation level of General Fund (\$29,776,197). The request also includes a reduction of \$3,045,125 General Fund to reflect the impact of expanded Medicaid eligibility on the population served through the Department's mental health community programs for indigent mentally ill clients (S.B. 13-200).

Recommendation: As detailed in the following table, staff recommends appropriating \$37.1 million (including \$30.7 million General Fund). Staff's recommendation is \$446,643 higher than the request due to the application of a 3.0 percent provider rate increase.

JBC Staff Figure Setting – FY 2014-15
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Behavioral Health Services, Mental Health Community Programs, Services for Indigent Mentally Ill Clients						
		Total Funds	General Fund	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation						
SB 13-230 (Long Bill)	✔	\$39,825,825	\$33,430,347	\$161,909	\$6,233,569	0.0
SB 13-200 (Expand Medicaid eligibility) 1/	✔	(651,875)	(651,875)	0	0	0.0
H.B. 14-1238 (Supplemental bill)	✔	<u>207,848</u>	<u>207,848</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL		\$39,381,798	\$32,986,320	\$161,909	\$6,233,569	0.0
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	✔	\$39,381,798	\$32,986,320	\$161,909	\$6,233,569	0.0
Annualize SB 13-200 1/	✔	(3,002,275)	(3,002,275)	0	0	0.0
Reverse supplemental	✔	(207,848)	(207,848)	0	0	0.0
R12 Community provider rate	✔	<u>893,286</u>	<u>893,286</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL		\$37,064,961	\$30,669,483	\$161,909	\$6,233,569	0.0
Increase/(Decrease)		(2,316,837)	(2,316,837)	\$0	\$0	0.0
Percentage Change		(5.9%)	(7.0%)	0.0%	0.0%	0.0%
FY 2014-15 Executive Request:		\$36,618,318	\$30,222,840	\$161,909	\$6,233,569	0.0
Request Above/(Below) Recommendation		(\$446,643)	(\$446,643)	\$0	\$0	0.0

1/ Please note that the appropriation clause in S.B. 13-200 reduced funding for mental health services for the medically indigent by \$651,875. Of this amount, \$42,850 should have applied to the "Medications for Indigent Mentally Ill Clients" line item. Staff corrects this error for FY 2014-15 by reducing the annualization amount for this line item by \$42,850.

Medications for Indigent Mentally Ill Clients

This line item supports the cost of medications for medically indigent mentally ill 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 \$1.5 million General Fund. The request includes an increase of \$22,368 for a 1.5 percent provider rate increase (R12) applied to the continuation level of General Fund (\$1,491,174). The request also includes a reduction of \$214,249 General Fund to reflect the impact of expanded Medicaid eligibility on the population served through the Department's mental health community programs for indigent mentally ill clients (S.B. 13-200).

Recommendation: As detailed in the following table, staff recommends appropriating \$1.5 million General Fund. The recommendation is \$22,367 higher than the request due to the application of a 3.0 percent provider rate increase.

*JBC Staff Figure Setting – FY 2014-15
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Behavioral Health Services, Mental Health Community Programs, Medications for Indigent Mentally Ill Clients			
	Total Funds	General Fund	FTE
FY 2013-14 Appropriation			
SB 13-230 (Long Bill)	\$1,748,273	\$1,748,273	0.0
TOTAL 1/	\$1,748,273	\$1,748,273	0.0
FY 2014-15 Recommended Appropriation			
FY 2013-14 Appropriation	\$1,748,273	\$1,748,273	0.0
Annualize SB 13-200 (Expand Medicaid eligibility) 1/	(257,099)	(257,099)	0.0
R12 Community provider rate	44,735	44,735	0.0
TOTAL	\$1,535,909	\$1,535,909	0.0
Increase/(Decrease)	(\$212,364)	(\$212,364)	0.0
Percentage Change	(12.1%)	(12.1%)	0.0%
FY 2014-15 Executive Request:	\$1,513,542	\$1,513,542	0.0
Request Above/(Below) Recommendation	(\$22,367)	(\$22,367)	0.0

1/ Please note that the appropriation clause in S.B. 13-200 reduced funding for mental health services for the medically indigent by \$651,875. Of this amount, \$42,850 should have applied to the "Medications for Indigent Mentally Ill Clients" line item. Staff corrects this error for FY 2014-15 by increasing the annualization amount for this line item by \$42,850.

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.

Request: Through R23 (Long Bill reorganization) the Department requested that the portion of this appropriation that supports school-based mental health services be reinstated in this section of the Long Bill.

Recommendation: On February 27, 2014, the Committee approved a staff recommendation to reinstate this line item in this section of the budget. The amount approved (\$1,198,792 General Fund) includes \$34,916 for a 3.0 percent provider rate increase, consistent with Committee policy.

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 unit that functions 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 provides funding for approximately 120 severely and persistently mentally ill clients to receive new or enhanced services through competitive grants to CMHCs. Currently, the CMHC serving Boulder and Broomfield counties, the Mental Health Center of Denver, and the San Luis Valley Comprehensive Community Mental Health Center receive funds for the ACT service delivery model. For FY 2013-14, this line item is supported by General Fund (\$658,104) and local matching funds (\$658,104).

Request: The Department requests \$1,335,952 (including \$667,976 General Fund). The request includes an increase of \$19,744 for a 1.5 percent provider rate increase (R12).

Recommendation: Staff recommends appropriating \$1,355,694 (including \$677,847 General Fund). Staff's recommendation includes an increase of \$39,486 General Fund for a 3.0 percent provider rate increase (R12), consistent with Committee policy.

Alternatives to Inpatient Hospitalization at a Mental Health Institute

The line item represents the consolidation of several previous line items, including: Alternatives to Inpatient Hospitalization at the Mental Health Institute at Pueblo, Alternatives to Inpatient Hospitalization at the Mental Health Institute at Fort Logan, Alternatives to the Fort Logan Aftercare Program, and the Alternatives to Inpatient Hospitalization for Youth. This line item funds alternative placements for individuals who would otherwise require hospitalization at one of the mental health institutes. Services include: 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.

Request: The Department requests \$3,249,682 General Fund. The request includes an increase of \$48,025 for a 1.5 percent provider rate increase (R12).

Recommendation: Staff recommends appropriating \$3,297,707 General Fund. Staff's recommendation includes an increase of \$96,050 General Fund for a 3.0 percent provider rate increase (R12), consistent with Committee 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 system³. Eleven of the 17 CMHCs have designed and implemented programs (called "S.B. 07-097 programs") in accordance with the legislation. This line item is supported by tobacco

³ See Section 27-66-104 (4), C.R.S.

litigation settlement moneys that are annually transferred to the Offender Mental Health Services Fund⁴.

Request: The Department requests a continuation level of funding (\$3,297,476 cash funds).

Recommendation: Staff recommends appropriating \$3,268,850 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 Act⁵ (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 including in-home family mental health treatment, other family preservation services, residential treatment, or post-residential follow-up services. The act states that a dependency and neglect action shall not be required to allow the family to access such 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 community mental health center (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 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

⁴ See Section 24-75-1104.5 (1.5) (a) (II), C.R.S.

⁵ See Section 27-67-101 *et seq.*, C.R.S.

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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 moneys⁶, and transfers from HCPF (which originate as 50 percent General Fund and 50 percent 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 \$997,445 (including \$577,084 General Fund). The request includes an increase of \$10,307 for a 1.5 percent provider rate increase (R12).

Recommendation: Staff recommends appropriating \$1,069,564 (including \$647,413 General Fund, \$300,000 cash funds from tobacco settlement moneys, and \$122,151 reappropriated funds transferred from HCPF). Staff's recommendation includes an increase of \$22,415 total funds for a 3.0 percent provider rate increase (R12), consistent with Committee policy.

Please note that staff's recommendation includes continuation of the \$60,000 General Fund mid-year increase that was provided for FY 2013-14 to ensure that funding is adequate to provide services to all eligible youth. This program is intended to allow families access to critical mental health services for children who are a danger to themselves or others, without requiring the parents to become subject to a dependency and neglect action. It is thus intended to reduce the risk of a child being placed into the custody of a county department of human services, and to increase the likelihood that a family can remain intact. The following table provides a recent history of expenditures for this line item, along with readily available data concerning the number of youth receiving services annually.

Child Mental Health Treatment Act				
Fiscal Year	Expenditures	Number of Youth Served		
		Residential Services	Community-based Services	Total
2008-09	\$857,220	n/a	n/a	n/a
2009-10	1,011,487	n/a	n/a	55
2010-11	862,519	n/a	n/a	62
2011-12	1,018,777	25	25	50
2012-13	903,334	35	24	59
2013-14 Adj. Approp/ Estim.	1,047,149	16	53	69
2014-15 Recomm.	1,069,564	16	53	69

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

⁶ 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".

(MHFA)⁷, 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 \$750,000 General Fund. This request is impacted by R15 (Mental health first aid), which is discussed below.

Recommendation: Staff recommends approving the request.

R15 Mental health first aid

Request: The Department requests \$750,000 General Fund for FY 2014-15 to expand the availability of mental health first aid instructor and certification courses. The Department proposes ongoing funding of \$210,000 General Fund per year in subsequent fiscal years for instructor courses.

Recommendation: Staff recommends approving the request. MHFA is an evidence-based program that is intended to train adults in the community to identify mental health and substance abuse problems, reduce the stigma associated with such problems, and connect individuals to appropriate supports and services. This initiative compliments the public information campaign, outreach, and referral components of the statewide coordinated behavioral health crisis response system that was authorized by S.B. 13-266. Staff also recommends continuing the Long Bill footnote that was included in H.B. 14-1238 (see the footnote with recommended amendments at the end of this packet).

Analysis:

Background Information

Mental Health First Aid Colorado is a public/private partnership⁸ that provides leadership, critical infrastructure, and the necessary implementation supports to facilitate the statewide

⁷ For more information, see: <http://www.mentalhealthfirstaid.org/cs/>.

⁸ MHFA Colorado is a coalition of community and state agencies across Colorado with leadership from the Colorado Behavioral Health Council (CBHC) and support from the Department of Human Services' Office of Behavioral Health. MHFA Colorado established a formal MHFA Colorado Advisory Committee, which includes the following partners: CBHC; community mental health centers and substance abuse treatment providers; the state Departments of Education, Human Services, Public Safety, and Public Health and Environment; Federation of Families for Children's Mental Health - Colorado; local law enforcement and criminal justice; Mental Health America of Colorado; National Alliance on Mental Illness - Colorado; and Western Interstate Commission for Higher Education. For more information see: <http://www.mhfacolorado.org/>.

delivery of MHFA training. The MHFA program received \$25,000 from the Office of Behavioral Health from the federal Community Mental Health Services block grant in both FY 2011-12 and FY 2012-13 as part of the Department's prevention and early intervention initiatives. Approximately \$12,000 was earmarked for the MHFA program in FY 2013-14. These funds have been and are being used to design the Colorado MHFA website and to cover expenses associated with developing the statewide infrastructure and supports; none of this funding has been used to cover the costs of instructor training or individual certifications. In addition, the Department provided \$13,000 to the Aurora Mental Health Center to fund MHFA efforts after the Aurora movie theater shooting. Due to federal sequestration, federal funds are not anticipated to be available for the MHFA program in FY 2014-15.

The backbone of MHFA Colorado is the growing network of MHFA instructors (233 as of December 2013) who teach MHFA certification courses in geographic regions across the state. Certification courses are available statewide to the public through local community organizations. As detailed in the following table, more than 8,400 individuals have been certified in Colorado since 2008.

Individuals Certified in Mental Health First Aid						
	2008	2009	2010	2011	2012	2013
Number of individuals certified annually	0	272	860	1,632	2,422	3,216
Cumulative number certified	0	272	1,132	2,764	5,186	8,402

Each eight-hour *certification course* trains an average of 25 individuals at a cost of \$2,000 (\$80 per individual). Expenses typically include: breakfast, lunch, and/or snacks; MHFA manuals; per diem and travel reimbursements for the instructor; room and equipment rental; and supplies and printing.

To become a MHFA instructor, one must attend a five-day *instructor course*. Each instructor course trains an average of 30 individuals at a cost of \$35,000. The primary expense is a \$31,500 fee paid to the national MHFA organization for trainers' time and travel expenses. Other expenses typically include: breakfast, lunch, and snacks; room and equipment rental; an administration/coordination fee that supports the registration process and logistics; and supplies and printing. There are currently two types of MHFA curricula: the original curriculum designed for adults assisting adults, and a recently released curriculum designed for adults assisting young people.

Funding for FY 2013-14 and Request for FY 2014-15

The General Assembly recently appropriated \$266,730 General Fund for FY 2013-14 for Mental Health First Aid. This funding includes:

- \$105,000 to cover the cost of three instructor courses (which is anticipated to train an additional 90 instructors);
- \$148,830 to cover the cost of 74 certification courses (which is anticipated to cover the costs for 1,860 individuals to be certified); and

- \$12,900 to support statewide outreach, promotion, and coordination of *Youth MHFA*.

The Department's request for FY 2014-15 includes:

- \$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 funding provided for FY 2013-14 and the funding requested for FY 2014-15 should increase the total number of instructors to at least 503⁹. Each instructor is required to complete at least three courses annually to maintain his or her instructor certification. There is not currently any requirement concerning the number of individuals that each instructor must certify. However, MHFA recommends class sizes of 15 to 25. Based on a class size of 25, the 180 instructors that are certified each year would be expected to train an additional 13,500 individuals (180 x 3 x 25) each year.

In subsequent fiscal years, ongoing funding of \$210,000 would continue to support MHFA instructor training to ensure that any first responders, educators, social workers, medical personnel, family members, or members of the public who have the need or desire for MHFA certification can have access to a course. 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.

Distribution of Funding

The FY 2013-14 appropriation for MHFA is accompanied by a footnote stating the General Assembly's intent that the \$253,830 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". Section 27-66-104, C.R.S, concerns the Department's purchase of community mental health services from community mental health centers (CMHCs), clinics, local hospitals, and other agencies approved by the Executive Director of DHS. The footnote was intended to ensure that the Department utilizes the existing infrastructure established through the MHFA Colorado public/private partnership to facilitate the statewide expansion of MHFA instructor training and certification courses. The Department has confirmed that it intends to administer the funds appropriated for FY 2013-14 in a manner that is consistent with this stated intent.

However, the Department indicates that it believes that the funds requested for FY 2014-15 should go through a competitive procurement process pursuant to Section 24-103-201, C.R.S. The Department indicates that because Mental Health First Aid is available from more than one entity, a sole source procurement is not feasible.

⁹ If a portion of the state funds are used to train existing Adult MHFA Instructors to deliver the separate Youth MHFA curriculum, the total number of instructors may not increase by as much.

The Colorado Behavioral Healthcare Council (CBHC) has led MHFA Colorado since 2009, and it provides the website, registration system, and data tracking and reporting system for MHFA Colorado. CBHC currently contracts with the National Council for Behavioral Health (NCBH) for MHFA instructor training events in Colorado; the NCBH is the sole national provider of MHFA instructor training. The CBHC argues that it is the only vendor positioned to immediately deliver MHFA instructor and certification courses. The CBHC would plan to manage sub-grants across the state and report outcomes to the Department.

For three years the Office of Behavioral Health has allocated federal CMHS block grant funds to the CBHC and community mental health centers to design the Colorado MHFA website, to cover expenses associated with developing the statewide infrastructure and support, and to fund MHFA efforts in Aurora. It seems reasonable to continue utilizing the existing MHFA Colorado infrastructure to ensure that the requested state funding is used to effectively expand the availability of instructor training and certification courses statewide. Thus, staff recommends continuing the Long Bill footnote for FY 2014-15 (the recommended amended version of the footnote is at the end of this packet).

(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).

(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 41 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 2013-14, funding sources include the following:

- General Fund (\$11,564,401);
- the federal Substance Abuse Prevention and Treatment Block Grant (\$10,347,947);
- reappropriated funds transferred from the Judicial Department from moneys available in the Correctional Treatment Cash Fund (\$887,300)¹⁰;
- reappropriated funds transferred from the Department of Public Safety's community corrections substance abuse treatment program (\$275,706);
- the Persistent Drunk Driver Cash Fund (\$265,000); and
- the Adolescent Substance Abuse Prevention Fund and Treatment Fund (\$66,218).

Request: The Department requests \$23.6 million (including \$11.7 million General Fund). The request includes an increase of \$173,466 for a 1.5 percent provider rate increase (R12) applied to the General Fund portion of the appropriation.

Recommendation: As detailed in the following table, staff recommends appropriating \$23.9 million total funds.

¹⁰ Please note that of the \$887,300 appropriated in this line item for FY 2013-14, \$126,702 is restricted due to a shortfall in drug offender surcharge revenues. Of the \$760,598 that is available for expenditure, \$38,880 is used to enhance funding for the STIRRT program, \$33,732 is used to enhance funding for jail-based behavioral health services, and \$687,986 is used for contracts that are unrelated to other line item appropriations.

JBC Staff Figure Setting – FY 2014-15
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Behavioral Health Services, Substance Use Treatment and Prevention, Treatment and Detoxification Contracts						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation						
SB 13-230 (Long Bill)	\$23,406,572	\$11,564,401	\$331,218	\$1,163,006	\$10,347,947	0.0
TOTAL	\$23,406,572	\$11,564,401	\$331,218	\$1,163,006	\$10,347,947	0.0
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	\$23,406,572	\$11,564,401	\$331,218	\$1,163,006	\$10,347,947	0.0
R12 Community provider rate	346,932	346,932	0	0	0	0.0
Allocation of Correctional Treatment CF increase	250,000	0	0	250,000	0	0.0
Realignment of CTCF appropriations	(72,612)	0	0	(72,612)	0	0.0
TOTAL	\$23,930,892	\$11,911,333	\$331,218	\$1,340,394	\$10,347,947	0.0
Increase/(Decrease)	\$524,320	\$346,932	\$0	\$177,388	\$0	0.0
Percentage Change	2.2%	3.0%	0.0%	15.3%	0.0%	0.0%
FY 2014-15 Executive Request:	\$23,580,038	\$11,737,867	\$331,218	\$1,163,006	\$10,347,947	0.0
Request Above/(Below) Recommendation	(\$350,854)	(\$173,466)	\$0	(\$177,388)	\$0	0.0

R12 Community provider rate. The recommendation includes \$346,932 General Fund for a 3.0 percent provider rate increase (R12) applied to the General Fund portion of the appropriation, consistent with Committee policy.

Allocation of Correctional Treatment CF increase. **The recommendation includes \$250,000 reappropriated funds transferred from the Judicial Department from moneys available in the Correctional Treatment Cash Fund (CTCF) per the Committee's previous action on the Correctional Treatment Board's proposed allocation plan for FY 2014-15.**

Realignment of CTCF appropriations. **The recommendation includes the transfer of \$72,612 reappropriated funds (transferred from the Judicial Department from moneys available in the CTCF) to reflect the Department's current contracting practices. Specifically, staff recommends transferring \$38,880 from this line item to the Short-term Intensive Residential Remediation and Treatment (STIRRT) line item, and \$33,732 to the Jail-based Behavioral Health Services line item.** The Department is aware of and supports this recommendation.

Case Management for Chronic Detoxification Clients

"PROUD" (Project to Reduce Over-Utilization of Detoxification) is a Denver metropolitan area case management program targeting individuals who are chronically dependent on alcohol or drug substances and who do not respond successfully to conventional residential and outpatient treatment methods. The program goal is to reduce the chronic use of detoxification services by helping individuals obtain housing, health care, mental health services, and employment or vocational support. For FY 2013-14, this line item is supported by the federal Substance Abuse Prevention and Treatment block grant (\$366,883) and the General Fund (\$2,476).

JBC Staff Figure Setting – FY 2014-15
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Request: The Department requests \$369,396 (including \$2,513 General Fund). The request includes an increase of \$37 for a 1.5 percent provider rate increase (R12) applied to the General Fund portion of the appropriation.

Recommendation: Staff recommends appropriating \$369,433, including \$2,550 General Fund. Staff's recommendation includes an increase of \$74 for a 3.0 percent provider rate increase (R12) applied to the General Fund portion of the appropriation, consistent with Committee policy.

Short-term Intensive Residential Remediation and Treatment (STIRRT)

The Short-term Intensive Residential Remediation Treatment (STIRRT) Program is intended to reduce recidivism among adult offenders, age 18 years or older, who have been unsuccessful in community treatment for drug and alcohol abuse and continue to commit offenses. STIRRT includes two weeks of intensive treatment followed up by nine months of continuing care. The evidence-based practice is often implemented as a last resort alternative to incarceration. For FY 2013-14, this line item is supported General Fund (\$3,018,432) and reappropriated funds transferred from the Judicial Department from moneys available in the Correctional Treatment Cash Fund (CTCF) (\$389,066).

Request: The Department requests \$3.5 million (including \$3.1 million General Fund). The request includes an increase of \$45,276 for a 1.5 percent provider rate increase (R12) applied to the General Fund portion of the appropriation.

Recommendation: As detailed in the following table, staff recommends appropriating \$3.5 million total funds.

Behavioral Health Services, Substance Use Treatment and Prevention, Short-term Intensive Residential Remediation and Treatment (STIRRT)					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	FTE
FY 2013-14 Appropriation					
SB 13-230 (Long Bill)	<u>\$3,407,498</u>	<u>\$3,018,432</u>	<u>\$0</u>	<u>\$389,066</u>	<u>0.0</u>
TOTAL	\$3,407,498	\$3,018,432	\$0	\$389,066	0.0
FY 2014-15 Recommended Appropriation					
FY 2013-14 Appropriation	\$3,407,498	\$3,018,432	\$0	\$389,066	0.0
R12 Community provider rate	90,553	90,553	0	0	0.0
Realignment of CTCF appropriations	<u>38,880</u>	<u>0</u>	<u>0</u>	<u>38,880</u>	<u>0.0</u>
TOTAL	\$3,536,931	\$3,108,985	\$0	\$427,946	0.0
Increase/(Decrease)	\$129,433	\$90,553	\$0	\$38,880	0.0
Percentage Change	3.8%	3.0%	0.0%	10.0%	0.0%
FY 2014-15 Executive Request:	\$3,452,774	\$3,063,708	\$0	\$389,066	0.0
Request Above/(Below) Recommendation	(\$84,157)	(\$45,277)	\$0	(\$38,880)	0.0

R12 Community provider rate. The recommendation includes \$90,533 General Fund for a 3.0 percent provider rate increase (R12) applied to the General Fund portion of the appropriation, consistent with Committee policy.

Realignment of CTCF appropriations. The recommendation includes the transfer of \$38,880 reappropriated funds (transferred from the Judicial Department from moneys available in the CTCF) from the Treatment and Detoxification Contracts line item to this line to reflect the Department's current contracting practices.

High Risk Pregnant Women Program

The High Risk Pregnant Women Program (known as Special Connections) is an entitlement program funded by Medicaid to serve pregnant women in need of substance use disorder treatment. Low-income pregnant women, regardless of Medicaid eligibility, may receive these services from designated treatment providers throughout the state. The services include an in-depth assessment, individual and group counseling, case management services, health education, and urinalysis screening and monitoring. The post-partum benefit is provided for 12 months. This program was developed to: produce a healthy infant; 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 \$1,450,570 reappropriated funds. The request includes an increase of \$21,437 for a 1.5 percent provider rate increase (R12).

Recommendation: Staff recommends appropriating \$1,472,007 reappropriated funds. The recommendation includes an increase of \$42,874 for a 3.0 percent provider rate increase (R12), consistent with Committee policy. Staff's recommendation exceeds actual expenditures in the last two fiscal years (\$1,126,309 and \$1,052,271, respectively).

(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 2013-14, funding sources include:

- the federal Substance Abuse Prevention and Treatment Block Grant (\$3,826,230);
- General Fund (\$33,649);
- the Adolescent Substance Abuse Prevention and Treatment Fund (\$22,072); and
- the Tobacco Use Prevention Fund (\$5,000).

Request: The Department requests \$3,887,456 total funds (including \$34,154 General Fund). The request includes an increase of \$505 General Fund for a 1.5 percent provider rate increase (R12).

Recommendation: Staff recommends appropriating \$3,972,960 (including: \$34,658 General Fund, \$112,072 cash funds, and \$3,826,230 federal funds). The recommendation includes an increase of \$1,009 General Fund for a 3.0 percent provider rate increase (R12), consistent with Committee policy. The recommendation also includes an increase of \$85,000 cash funds, described below.

There are four substance use-related cash funds that currently have balances that significantly exceed the statutorily required reserve of 16.5 percent of annual expenditures. Staff recommends temporarily increasing appropriations from these funds (over the next few years) in order to make these moneys available for the intended purposes. The Department is aware of and supports staff's recommendations. With regard to this line item, staff makes the following two recommendations:

- 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 programs¹¹. This fund had a balance of \$218,521 on July 1, 2013. **Staff recommends increasing the appropriation from this fund by \$65,000 for each of the next three fiscal years to reduce the fund balance by \$195,000.** The Department indicates that it would use the additional moneys to expand services (temporarily) beyond the current service areas. The following table, provided by the Department, lists the fund allocations for FY 2013-14.

¹¹ See Section 18-13-122 (16) (b), C.R.S.

JBC Staff Figure Setting – FY 2014-15
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Fund 19Y - Adolescent Substance Abuse Prevention and Treatment				
18-13-122(16)(b), C.R.S. (2013)				
		Prevention-535	Treatment-522	Locations
ACE Comm	\$20,000.00	\$ 3,446.00	\$ 16,554.00	Adolescent Counseling Exchange, ACE in Denver, serving youth from Denver County.
El Pueblo	\$20,000.00	\$ 3,446.00	\$ 16,554.00	El Pueblo Boys and Girls Ranch serving youth primarily in Pueblo County
Luna Counseling	\$20,000.00	\$ 3,446.00	\$ 16,554.00	Luna Counseling, LLP in Granby, CO serving youth from Grand County.
Youthzone	\$20,000.00	\$ 3,446.00	\$ 16,554.00	Youthzone, located in both Glenwood Springs and Rifle, serving youth from Garfield County.
Timken & Associates	\$5,000.00	\$ 5,000.00		Youth DUI Training Curriculum contractor.
Unencumbered funds for Pathways Discovery for Youth and Change	\$3,290.00	\$ 3,288.00	\$ 2.00	The funds will be utilized for "Strategies for Self improvement and Change". This is a training curriculum that is designed for licensed substance abuse providers that work with the juvenile justice population. The purpose of this training is to teach trainers how work with juveniles who have co-occurring criminogenic and substance abuse issues and provide treatment/counseling services that empower juveniles to recognize and change negative behavioral and thinking patterns. This would be open to licensed providers including youth corrections, probation and other private and public entities..
Total	\$88,290.00	\$ 22,072.00	\$ 66,218.00	

- 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"¹². This fund had a balance of \$44,582 on July 1, 2013. **Staff recommends increasing the appropriation from this fund by \$20,000 for each of the next two fiscal years to reduce the fund balance by \$40,000.** The Department indicates 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 thus suggests spending down the reserve over a two-year period to allow sufficient funding 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;

¹² See Section 24-35-507, C.R.S.

- 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; and
- 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.

Request: The Department requests a continuation level of funding (\$1,670,823 cash funds).

Recommendation: Staff recommends appropriating \$2,035,823 cash funds. The *Persistent Drunk Driver Cash Fund* is one of four substance use-related cash funds that currently have balances that significantly exceed the statutorily required reserve of 16.5 percent of annual expenditures. Staff recommends temporarily increasing appropriations from these funds (over the next few years) in order to make these moneys available for the intended purposes. The Department is aware of and supports staff's recommendation to spend down this fund balance. This fund had a balance of \$1,420,815 on July 1, 2013. **Staff recommends increasing the appropriation from this fund by \$365,000 for each of the next three fiscal years to reduce the fund balance by \$1,095,000** (thus leaving a balance of about 16.5 percent of current annual expenditures).

The Department indicates that it would likely use a portion of the temporary funding increase to provide additional assistance for DUI offenders. **Staff thus requests permission to increase the corresponding appropriation to the Judicial Department to receive and spend moneys transferred from this line item, if appropriate based the Department's planned expenditures from this fund for FY 2014-15.** The Department indicated that it would use the remainder of the one-time funds 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 receives 20 percent of LEAF revenues annually, after costs incurred by the Department of Public Health and Environment for laboratory services and implied consent specialists are covered¹³. These funds are to be used to establish a statewide program for the prevention of driving after drinking, which includes:

- educating the public in the problems of driving after drinking;
- training of teachers, health professionals, and law enforcement in the dangers of driving after drinking;
- preparing and disseminating educational materials dealing with the effects of alcohol and other drugs on driving behavior; and
- preparing and disseminating education curriculum materials thereon for use at all levels of school specifically to establish impaired driving prevention programs.

The Office allocates available funds through five separate contracts targeted as the following audiences:

- General population as a whole;
- Teachers of young people and young adults;
- Health professionals;
- Local law enforcement; and
- Providers and advocacy organizations.

Funding supports local efforts to prevent persons from driving when using alcohol or other drugs. Services provided include: mentoring; tutoring; life skills training; harm reduction education; community coalition building; social norms marketing; and education and information dissemination.

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).

¹³ See Sections 43-4-402 (2) (a) and 43-4-404 (3), C.R.S.

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 \$6,677,925 (including \$192,533 General Fund). The request includes an increase of \$2,845 General Fund for a 1.5 percent provider rate increase (R12).

Recommendation: Staff recommends appropriating \$6,680,771 (including \$195,379 General Fund and \$6,485,392 federal funds from the Substance Abuse Prevention and Treatment block grant). Staff's recommendation includes an increase of \$5,691 General Fund for a 3.0 percent provider rate increase (R12), consistent with Committee 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 Fund.¹⁴

Request: The Department requests a continuation level of funding (\$782,400 cash funds).

Recommendation: Staff recommends appropriating \$817,217 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 Program¹⁵. 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

¹⁴ See Sections 24-75-1104.5 (1.5) (a) (VIII) (A) and 27-80-106, C.R.S.

¹⁵ See Section 27-80-117, C.R.S.

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 (\$88,443 cash funds).

Recommendation: Staff recommends appropriating \$151,243 cash funds. The *Rural Alcohol and Substance Abuse Cash Fund* is one of four substance use-related cash funds that currently have balances that significantly exceed the statutorily required reserve of 16.5 percent of annual expenditures. Staff recommends temporarily increasing appropriations from these funds (over the next few years) in order to make these moneys available for the intended purposes. The Department is aware of and supports staff's recommendation to spend down this fund balance. This fund had a balance of \$140,193 on July 1, 2013. **Staff recommends increasing the appropriation from this fund by \$62,800 for each of the next two fiscal years to reduce the fund balance by \$125,600** (thus leaving a balance of about 16.5 percent of current annual expenditures). The Department indicates that it would use the additional moneys to expand services (temporarily) beyond the current service areas.

Gambling Addiction Counseling Services

This line item supports the provision of gambling addiction counseling services to Colorado residents. This line item is supported by gaming tax revenues that are transferred to the Local Limited Gaming Impact Fund; 2.0 percent of the annual fund revenues are 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 expenses¹⁶. 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 (\$70,000 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 and transfers from the Judicial Branch (originating as General Fund and drug offender surcharge revenues).

¹⁶ See Section 12-47.1-1601 (4) (a.5) (I), C.R.S.

Crisis Response System – Walk-in, Stabilization, Mobile, Residential, and Respite Services

This is the first of three line items to provide continued funding for 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. The following table summarizes the appropriations that were initially included in the act for FY 2013-14 and the continuation funding anticipated to be needed for FY 2014-15.

Summary of Legislative Council Staff Fiscal Note for S.B. 13-266				
	FY 2013-14			FY 2014-15
	One-time Expenses	Ongoing Expenses	Total	Ongoing Expenses
Personal Services (11 months in FY 2013-14 due to paydate shift)		\$67,280	\$67,280	\$73,402
FTE		0.9	0.9	1.0
Operating Expenses and Capital Outlay	<u>4,703</u>	<u>950</u>	<u>5,653</u>	<u>950</u>
Subtotal	\$4,703	\$68,230	\$72,933	\$74,352
<i>Assumes 9 months of services for the following:</i>				
Walk-in Crisis Services	\$500,000	\$7,053,265	\$7,553,265	\$9,404,350
Mobile Crisis Services	17,610	5,908,890	5,926,500	7,878,520
Respite and Short-term Residential Services	<u>41,095</u>	<u>3,551,560</u>	<u>3,592,655</u>	<u>4,735,414</u>
Subtotal	\$558,705	\$16,513,715	\$17,072,420	\$22,018,284
24-hour Crisis Telephone Line Services	322,870	1,723,805	2,046,675	2,298,405
Public Information Campaigns	0	600,000	600,000	600,000
Total	\$886,278	\$18,905,750	\$19,792,028	\$24,991,041

This line item would provide funding for a collection of integrated services to respond to and assist individuals experiencing a behavioral health emergency¹⁷, 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 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.

¹⁷ See Section 27-60-103, C.R.S.

- 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.

FY 2013-14 Recommendation Related to All Appropriations for the Crisis Response System: In January, the Committee approved the Department's supplemental request to reduce appropriations in S.B. 13-266 by a total of \$10,131,956 General Fund due to delays in awarding crisis response system contracts. The Department's supplemental request assumed that contracts would be signed by January 31 and the system would begin operations in March 2014. Thus, the existing appropriations provide funding for four months of services. Court hearings were held on January 9 and February 13 concerning a protest from the bidder that was initially awarded the combined services contract. As of February 28, the judge had not yet made a decision on the case. **The Department has not yet awarded crisis response system contracts. If information becomes available that indicates it is likely that the Department will revert even more of the FY 2013-14 appropriation than anticipated in their supplemental request, staff will bring this information to the Committee's attention.**

FY 2014-15 Request: The Department requests \$22,957,558 General Fund, including \$22,348,558 for the services listed above and \$609,000 for marketing. The request includes an increase of \$339,274 General Fund for a 1.5 percent provider rate increase (R12).

FY 2014-15 Recommendation: Staff recommends appropriating \$23,296,833 General Fund, including \$22,678,833 for the services listed above and \$618,000 for marketing. The recommendation for the services listed above includes \$22,018,284 in continuation funding (consistent with the Legislative Council Staff fiscal note for S.B. 13-266) plus \$660,549 for a 3.0 percent provider rate increase (R12), consistent with Committee policy. The recommendation for marketing includes \$600,000 in continuation funding plus \$18,000 for a 3.0 percent provider rate increase. As indicated for R23 at the front of this packet, staff recommends appropriating the funding for marketing (\$618,000) through a separate line item (see below).

Crisis Response System – Telephone Hotline

This is the second of three line items to provide continued funding for the behavioral health crisis response system authorized through S.B. 13-266. This line item would provide funding for 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 \$2,332,881 General Fund. The request includes an increase of \$34,476 General Fund for a 1.5 percent provider rate increase (R12).

Recommendation: Staff recommends appropriating \$2,367,357 General Fund. The recommendation includes \$2,298,405 in continuation funding (consistent with the Legislative

Council Staff fiscal note for S.B. 13-266) plus \$68,952 General Fund for a 3.0 percent provider rate increase (R12), consistent with Committee policy.

Crisis Response System – Marketing

This is the third of three line items to provide continued funding for the behavioral health crisis response system authorized through S.B. 13-266. This line item would provide funding for a public information campaign.

Request: The Department requests \$609,000 General Fund as part of the first crisis response line item listed above. The requested amount includes an increase of \$9,000 General Fund for a 1.5 percent provider rate increase (R12).

Recommendation: Staff recommends appropriating of \$618,000 General Fund. The recommendation includes \$600,000 in continuation funding (consistent with the Legislative Council Staff fiscal note for S.B. 13-266) plus \$18,000 General Fund for a 3.0 percent provider rate increase (R12), consistent with Committee policy.

Community Transition Services

This line item, first included in the FY 2013-14 Long Bill, provides funding for intensive behavioral health services and supports for individuals transitioning back to the community from the mental health institutes. The following table summarizes the appropriations that were initially included in the FY 2013-14 Long Bill (based on six months of services) and the continuation funding anticipated to be needed for FY 2014-15 (for a full 12 months of services). A brief description of each service component follows.

Community Transition Services Funding Components		
	FY 2013-14	FY 2014-15
Assertive community treatment	\$1,974,981	\$3,949,962
Alternative living residence services	2,031,350	4,062,700
Intensive case management services	245,000	490,000
Wrap-around services	<u>192,845</u>	<u>385,690</u>
Total General Fund	\$4,444,176	\$8,888,352

- *Assertive Community Treatment (ACT)* programs provide clinical, emergency, rehabilitation, and support in the community in a way that emphasizes outreach, relationship building, individual-based services, and recovery. The 17 community mental health centers (CMHCs) began receiving funding in January and were anticipated to begin providing ACT services to additional clients in February 2014. The existing appropriation supports six months of services for 429 clients at a rate of \$9,207.37 per client per year.
- *Alternative living residence services* will provide clients with room and board, protective oversight, personal services, and social care. The Department has been reviewing potential service options in light of the *Olmstead* decision, which requires states to ensure that persons with disabilities receive services in the most integrated setting appropriate to their needs.

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The Department indicates that it is pursuing a "money follows the individual" model of wrap-around community treatment and support services. The Department plans to begin negotiating with CMHCs during March and, if negotiations are successful, CMHCs would begin providing services by May 1. If negotiations are not successful, the Department will issue an RFP and an award would not occur until after July 1. The existing appropriation supports five months of services for 32 clients at a rate of \$347.83 per client per day.

- Transition specialists will provide *intensive case management services* to assist individuals with overcoming barriers to re-entry into the community. Based on a February 15 contract start date, the existing appropriation supports seven transition specialists for 4.5 months at an annual rate of \$70,000.
- Some ACT clients will receive *wrap-around services*, including: individualized mentoring; funding for structured activities (recreation, education and training); transportation to promote engagement in treatment and community integration; substance use testing; smoking cessation; respite care for the caretakers of clients; and other individualized treatment services to address other community placement barriers. The existing appropriation supports wraparound services for 52 individuals for four months at a cost of \$618 per client per month.

FY 2013-14 Recommendation: As described above, the Department anticipates that **alternative living residence services will be provided starting May 1, 2014, at the earliest. Staff thus recommends reducing this appropriation by \$1,013,809 General Fund.** The following table details the initial appropriations for FY 2013-14, the reductions reflected in H.B. 14-1238, and the additional reduction recommended in this packet.

Community Transition Services: Additional Recommended Reduction in FY 2013-14 Appropriation					
	Initial Appropriation	Adjustments in H.B. 14-1238	Current Appropriation	Further Recommended	Resulting Appropriation
<i>Number of months of services</i>	6.0		6.0		6.0
Assertive Community Treatment	\$1,974,981		\$1,974,981	\$0	\$1,974,981
<i>Number of months of services</i>	6.0	(1.0)	5.0	(3.0)	2.0
Alternative Living Residences	\$2,031,350	(\$338,577)	\$1,692,773	(\$1,013,809)	\$678,964
<i>Number of months of services</i>	6.0	(1.5)	4.5		4.5
Intensive Case Management	\$245,000	(\$61,250)	\$183,750	\$0	\$183,750
<i>Number of months of services</i>	6.0	(2.0)	4.0		4.0
Wrap-around Services	\$192,845	(\$64,301)	\$128,544	\$0	\$128,544
Total	\$4,444,176	(\$464,128)	\$3,980,048	(\$1,013,809)	\$2,966,239

FY 2014-15 Request: The Department requests \$9,021,677 General Fund for FY 2014-15. The request includes an increase of \$133,325 General Fund for a 1.5 percent provider rate increase (R12).

FY 2014-15 Recommendation: As detailed in the following table, staff recommends appropriating \$9,155,003 General Fund. The recommendation includes \$8,888,352 in continuation funding plus \$266,651 for a 3.0 percent provider rate increase (R12), consistent with Committee policy.

*JBC Staff Figure Setting – FY 2014-15
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Behavioral Health Services, Integrated Behavioral Health Services, Community Transition Services			
	Total Funds	General Fund	FTE
FY 2013-14 Appropriation			
SB 13-230 (Long Bill)	\$4,444,176	\$4,444,176	0.0
H.B. 14-1238 (Supplemental Bill)	(464,128)	(464,128)	0.0
Recommended adjustment to be included in FY 2014-15 Long Bill	<u>(1,013,809)</u>	<u>(1,013,809)</u>	<u>0.0</u>
TOTAL	\$2,966,239	\$2,966,239	0.0
FY 2014-15 Recommended Appropriation			
FY 2013-14 Appropriation	\$2,966,239	\$2,966,239	0.0
Reverse supplemental	1,477,937	1,477,937	0.0
Annualize prior year budget actions	4,444,176	4,444,176	0.0
R12 Community provider rate	<u>266,651</u>	<u>266,651</u>	<u>0.0</u>
TOTAL	\$9,155,003	\$9,155,003	0.0
Increase/(Decrease)	\$6,188,764	\$6,188,764	0.0
Percentage Change	208.6%	208.6%	0.0%
FY 2014-15 Executive Request:	\$9,021,677	\$9,021,677	0.0
Request Above/(Below) Recommendation	(\$133,326)	(\$133,326)	0.0

Jail-based Behavioral Health Services

This line item supports the provision of jail-based behavioral health services to offenders. The programs supported by this line item screen for and provide care for adult inmates with substance use disorder or a co-occurring mental health disorder. In addition, programs provide continuity of care within the community after release from jail. The Department currently has 15 contracts with county sheriffs' departments, and 32 counties have jail-based programs. This line item is supported by reappropriated funds transferred from the Judicial Department from moneys available in the Correctional Treatment Cash Fund (CTCF).

Request: The Department requests \$3,013,790 reappropriated funds.

Recommendation: As detailed in the following table, staff recommends appropriating \$3,578,522 reappropriated funds.

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Behavioral Health Services, Integrated Behavioral Health Services, Jail-based Behavioral Health Services	Total Funds	Reappropriated Funds	FTE
FY 2013-14 Appropriation			
SB 13-230 (Long Bill)	<u>\$3,013,790</u>	<u>\$3,013,790</u>	<u>0.0</u>
TOTAL	\$3,013,790	\$3,013,790	0.0
FY 2014-15 Recommended Appropriation			
FY 2013-14 Appropriation	\$3,013,790	\$3,013,790	0.0
Allocation of Correctional Treatment CF increase	310,000	310,000	0.0
Additional CTCF allocation	221,000	221,000	0.0
Realignment of CTCF appropriations	<u>33,732</u>	<u>33,732</u>	<u>0.0</u>
TOTAL	\$3,578,522	\$3,578,522	0.0
Increase/(Decrease)	\$564,732	\$564,732	0.0
Percentage Change	18.7%	18.7%	0.0%
FY 2014-15 Executive Request:	\$3,013,790	\$3,013,790	0.0
Request Above/(Below) Recommendation	(\$564,732)	(\$564,732)	0.0

Allocation of Correctional Treatment CF increase. **The recommendation includes \$310,000 reappropriated funds per the Committee's previous action on the Correctional Treatment Board's proposed allocation plan for FY 2014-15.**

Additional CTCF allocation. **The recommendation includes an additional \$221,000 reappropriated funds based on the Committee's previous action to repurpose CTCF moneys that are currently used to support probation staff.** As detailed in a separate memorandum, the Correctional Treatment Board recommends allocating \$221,000 of the funds made available by the Committee to expand the availability of jail-based behavioral health services.

Realignment of CTCF appropriations. The recommendation includes the transfer of \$33,732 reappropriated funds (transferred from the Judicial Department from moneys available in the CTCF) from the Treatment and Detoxification Contracts line item to this line to reflect the Department's current contracting practices.

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 will provide 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. The Department indicates that it will be tracking specific outcome data for both mental health and substance use treatment, including reduction in symptom severity, reduction in drug use, and treatment engagement. The Department plans to make this information available in October 2014 to track the progress of this funding stream.

FY 2013-14 Recommendation: Staff recommends reducing the FY 2013-14 appropriation by \$150,800 (from \$500,000 to \$349,200) based on an anticipated under expenditure. The Department awarded a five-year contract to CTP on November 5, 2013. The CTP contract is for \$324,200 in FY 2013-14 and \$500,000 in subsequent fiscal years (subject to the availability of appropriations). The Department also plans to spend \$25,000 of the appropriation to provide training in Trauma Informed Care (TIC) and co-occurring services to providers in the region. Thus, the Department expects to revert \$150,800 from this line item in FY 2013-14.

FY 2014-15 Request: The Department requests \$507,500 General Fund. The request includes an increase of \$7,500 General Fund for a 1.5 percent provider rate increase (R12).

FY 2014-15 Recommendation: Staff recommends appropriating \$515,000 General Fund. The recommendation includes an increase of \$1,009 General Fund for a 3.0 percent provider rate increase (R12), consistent with Committee policy.

Staff's recommendations for both fiscal years are detailed in the table below.

*JBC Staff Figure Setting – FY 2014-15
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Behavioral Health Services, Co-occurring Behavioral Health Services, Co-occurring Behavioral Health Services	Total Funds	General Fund	FTE
FY 2013-14 Appropriation			
SB 13-230 (Long Bill)	\$500,000	\$500,000	0.0
Recommended adjustment to be included in FY 2014-15 Long Bill	<u>(150,800)</u>	<u>(150,800)</u>	<u>0.0</u>
TOTAL	\$349,200	\$349,200	0.0
FY 2014-15 Recommended Appropriation			
FY 2013-14 Appropriation	\$349,200	\$349,200	0.0
Reverse supplemental	150,800	150,800	0.0
R12 Community provider rate	<u>15,000</u>	<u>15,000</u>	<u>0.0</u>
TOTAL	\$515,000	\$515,000	0.0
Increase/(Decrease)	\$165,800	\$165,800	0.0
Percentage Change	47.5%	47.5%	0.0%
FY 2014-15 Executive Request:	\$507,500	\$507,500	0.0
Request Above/(Below) Recommendation	(\$7,500)	(\$7,500)	0.0

Behavioral Health Services for Juveniles and Adults at risk or involved in the Criminal Justice System (H.B. 10-1284)

House Bill 10-1284 (Massey and Summers/Romer and Spence) established regulations of medical marijuana by creating a State and local medical marijuana licensing authority. Beginning on July 1, 2010, the General Assembly annually appropriated the first \$2.0 million in sales taxes paid by licensed persons or entities equally to the Department of Human Services and the Department of Health Care Policy and Financing to be used to provide integrated behavioral health services for juveniles and adults with substance use disorders or with substance use disorders and mental health treatment needs who are involved with, or at risk of involvement with, the criminal justice system.

House Bill 11-1043 (Massey/Steadman & Spence) changed the distribution of the first \$2.0 million in sales taxes paid by licensed persons or entities. The bill eliminated the \$1.0 million General Fund appropriation to the Department of Human Services for behavioral health services for juveniles and adults in the criminal justice system. Thus, this appropriation was eliminated in FY 2011-12.

(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 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.

R10 Outside medical expenses

Request: The Department requests an increase of \$1,598,792 General Fund to cover the costs of purchasing outside medical care for patients at the mental health institutes. The Department also requests a change in the Long Bill format to separate appropriations for outside medical costs from the existing line item appropriations for personal services. Finally, the Department requests the addition of a Long Bill footnote providing transfer authority between line items.

Recommendation: Staff recommends approving the request, including approval of the requested Long Bill footnote with slightly modified language.

Analysis:

Background Information

The institutes are responsible for providing the proper behavioral and medical treatment necessary to promote a patient's best health outcomes and recovery. This includes arranging medical treatment for physical ailments or injuries that occur during a patient's stay that the

institutes are not equipped or licensed to provide. The institutes contract with local hospitals and medical providers to provide services such as medical resonance imaging (MRI), radiology, cardiology, laboratory tests, computed tomography (CT) scans, and inpatient surgical and medical procedures. Outside medical costs also include related ancillary services such as ambulance services, sitters¹⁸, lab services, and interpreter services¹⁹.

While Medicaid is the primary payer of mental health services in community settings, most services provided by the institutes are ineligible for Medicaid funding. As described above, federal law does not allow Medicaid reimbursements for patients aged 21 through 64 served by the mental health institutes. If a patient is temporarily transferred from an institute to another medical facility for other in-patient or out-patient medical treatment, under current federal policy the patient is still considered IMD patient. Accordingly, providers who are treating IMD patients on an outpatient basis may not bill Medicaid for these services. Likewise, if an IMD patient is transferred to another hospital for medical treatment, hospital may not bill Medicaid for the services provided.

The institutes work with local medical providers and negotiate rates for services. Due to the relatively low number of patients and the low Medicaid reimbursement rate, most providers will not contract with the institutes for the Medicaid rate. As a result, both institutes generally pay the lesser of actual charges for services or a negotiated rate that is approximately 160 percent of the Medicaid rate. If a patient has private insurance or other financial resources, the Department will bill the patient as appropriate.

Increased Funding

From FY 2010-11 to FY 2012-13, outside medical costs for both institutes increased from \$2,235,950 to \$4,100,645 – an increase of \$1.9 million or 83.4 percent. In FY 2012-13, the Department provided care for 14 patients (ages 22-64) who required high cost care, six of which were catastrophic. The medical conditions requiring the most care included respiratory failure, renal failure, brain infection, leukemia, chronic pneumonia, and an aortic aneurysm. Of the 14 patients, six were civil commitments, and eight were forensic commitments. The General Assembly approved two mid-year adjustments to address these increased costs. Despite mid-year appropriation increases totaling \$1,675,862, the institutes needed to utilize funding from appropriations for operating expenses and pharmaceutical expenses in order to cover outside medical expenses (a shortfall totaling \$237,760).

The Department's request for FY 2014-15 is based on the amount the institutes spent on outside medical costs in FY 2012-13, plus an inflationary adjustment of 6.5 percent.

Long Bill Format Change

Currently, funding for outside medical expenses is included in the Personal Services line item for each institute. Thus, when outside medical expenses are higher than anticipated, the institutes may be required to hold staff positions vacant in order to cover the additional medical costs.

¹⁸ A "sitter" is required to attend to the patient 24 hours per day for the duration of the hospital stay.

¹⁹ The institutes have experienced a significant increase in ancillary medical costs for sign language interpreters and for language interpreter services in Spanish, Arabic, Amharic, French, Russian, and Vietnamese.

This affects the institutes' ability to efficiently fill positions and to maintain the staffing levels necessary to promote the health and recovery of their patients. The Department requests that existing funding for outside medical costs be shifted to two new line item appropriations for "Contract Medical Services" – one for each institute. The Department further requests a Long Bill footnote authorizing transfers between line items.

The Department indicates that the proposed format will allow the institutes to manage employee-related expenses more effectively by removing the unpredictable outside medical expenses from the Personal Services line items. In addition, the proposed format will provide greater transparency as over expenditures and reversions for outside medical costs will be separated from the more predictable and manageable employee-related expenses. Finally, the ability to transfer spending authority between the two institutes should limit the necessity of multiple mid-year appropriation adjustments.

Staff recommends approving the request for additional funds as well as the Long Bill format change. The components of the recommendation are detailed in the following table.

Summary of Recommendation for R10: Outside Medical Expenses	
FY 2014-15	
<u>Office of Behavioral Health</u>	
<i>Mental Health Institutes</i>	
<i>(1) Mental Health Institute - Ft. Logan</i>	
Personal Services	(\$979,785)
Contract Medical Services (new line item)	<u>1,269,465</u>
Subtotal	289,680
<i>(2) Mental Health Institute - Pueblo</i>	
Personal Services	(2,280,313)
Contract Medical Services (new line item)	<u>3,589,425</u>
Subtotal	1,309,112
Total	\$1,598,792

In addition, as requested, staff has recommended a Long Bill footnote that would provide the institutes with authority to transfer moneys between appropriations (the recommended footnote appears at the end of this packet). However, based on discussions with staff at the Department and the Office of State Planning and Budgeting, staff recommends broadening the transfer authority to include all line items within the Mental Health Institutes subsection of the Long Bill.

➔ R11 MHIs electronic health record system

Request: The Department requests funding for staff, operating expenses, and contractual services to support an Electronic Health Record (EHR) system. This request corresponds to a capital request (R12) for \$14.7 million over two years (\$9.8 million in FY 2014-15 and \$4.9 million in DY 2015-16) to purchase the EHR system. The Department's operating budget request for FY

2014-15 includes \$350,396 General Fund and 4.5 FTE. The Department indicates that ongoing funding would total \$528,164 General Fund and 7.7 FTE in FY 2015-16 and \$2,734,592 General Fund and 8.0 FTE in FY 2-16-17.

Recommendation: Staff recommends approving the operating request. If the corresponding capital request is not funded for FY 2014-15, staff requests permission to eliminate the associated operating funding.

Analysis:

Background Information - Current Systems

The mental health institutes currently use four different information systems to track and bill for patient care:

- The health and billing system (NetSmart's Avatar), which is housed on a local server, includes: patient demographic information; date of admission, transfer, or release; diagnosis and treatment; legal status; seclusion and restraint data; and payer information.
- Lab equipment is directly linked to the laboratory system (Multidata Lab) that stores clinical results on local servers and transmits billing information to Avatar.
- The web-based dietary system (Vision's Carex system) is used to plan and provide patient meals and includes dietary restrictions and preferences and food inventories. Meals are included and billed in the room rate through Avatar.
- Pharmacy orders are transcribed and entered into the pharmacy system (OPUS-ISM) that is housed on local servers and is used to dispense medications and bill for pharmaceuticals.

Patient demographics, medical history, diagnoses, treatment, laboratory and test results, medications, administrative and billing data are recorded in four separate systems and (with the exception of lab results and demographic information received from Avatar) generally entered manually. In addition, the institutes utilize a number of Microsoft Access databases that were built to augment the collection of patient data in these four systems.

2011 Audit Recommendations

In 2011 the Office of the State Auditor conducted a performance audit to determine whether the mental health institutes provide adult civil patients, including patients under involuntary medication orders, with adequate safeguards against adverse side effects and other risks associated with psychiatric medications. The audit was performed in response to a legislative request.

The audit included recommendations concerning documentation related to medication orders, monitoring practices for patients on certain medications, and the development of consistent approaches regarding medications that are designated as high-risk. The audit also recommended that the Department pursue the implementation of an EHR system and replace the legacy pharmacy system to address problems identified in medication prescribing and monitoring. The

audit report indicates that an EHR system would improve clinical decision-making, reduce medical errors, and increase the efficiency of clinical operations. The Department indicates that a fully-integrated EHR will automatically tie patient treatments to patient outcomes (*e.g.*, specific medications and therapies can be tied to specific improvements in each patient's condition), and will directly assist clinical efforts to address the patients' mental illnesses and aggression that drive assaults, the need for seclusion and restraint, and length of hospitalization.

Proposed EHR System

The Department has submitted a capital request to purchase and implement a modern, comprehensive, and fully automated EHR system that is fully integrated with all necessary clinical, operational, and financial modules and systems and is compliant with federal "meaningful use" requirements (*e.g.*, physician order entry, robust clinical decision support, assessments, care plans, discharge planning, patient portal, health information exchange interface, behavior interventions, diagnostic and medical history and treatments, document storage and retrieval, scheduling, medication reconciliation, clinical notes, electronic medication administration record, and record level audit capability). The system would include point of care documentation for active treatment and implementation of an individualized care plan. The system would allow for historical records retention and archive systems that will comply with records management best practice. Finally, the system would be a fully-hosted web-based solution, with the integrated systems residing securely off-site (cloud-based), without the need for OIT resources or support of application servers.

The Department's capital request includes funding for commercial off-the-shelf software, plus funding for modifications and enhancements that are necessary to make the system fully operational in the first two years. The operating request includes ongoing funding for software modifications and enhancements beginning in year three.

Associated Operating Request

The Department's operating request for FY 2014-15 includes funding for five staff (4.5 FTE in FY 2014-15) to oversee, analyze, and support the application design and implementation. Additional funding requested for FY 2015-16 would support ongoing system modification and maintenance, data analyses, and customer support. When the EHR system is operational in FY 2016-17, funding would be required to support a total of 8.0 FTE and contractual programming, licensing and system hosting services to support the EHR system.

The institutes' current information management unit consists of 10.8 FTE, including 7.3 FTE devoted to providing similar types of support for the institutes' current health systems. The requested 8.0 FTE would bring the total FTE for customer, analytical, and application support to 15.3 FTE, or a ratio of 0.028 support FTE per hospital bed. The Department indicates that this is a lower ratio than most comparable institutions.

The following table details the components of the operating request for the next three fiscal years.

JBC Staff Figure Setting – FY 2014-15
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Summary of Request for R11: Mental Health Institute Electronic Health Record System			
Description	FY 2014-15	FY 2015-16	FY 2016-17
<u>Office of Behavioral Health</u>			
<u>Mental Health Institutes</u>			
Mental Health Institute - Ft. Logan Personal Services (1.0 FTE General Professional III at \$46,008 salary and 1.0 FTE Technician III at \$40,068 salary + PERA + Medicare; 1.0 FTE for only 11 months in FY 2014-15; additional 1.0 FTE for only 11 months in FY 2015-16)	46,210	91,589	96,061
Mental Health Institute - Ft. Logan Operating Expenses (per FTE costs of \$450 for telephone and \$500 for supplies for 2.0 FTE (for 6 months only in FY 2014-15); \$2,212 for travel; one-time capital outlay costs of \$3,473 for 1.0 FTE in FY 2014-15 and FY 2015-16; and \$8,719 for IT devices in FY 2016-17)	<u>7,865</u>	<u>8,815</u>	<u>12,831</u>
Subtotal	54,075	100,404	108,892
Mental Health Institute - Pueblo Personal Services (3.0 FTE General Professional III at \$46,008 salary, 1.0 FTE General Professional IV at \$57,168 salary, 1.0 FTE General Professional V at \$71,520 salary, and 1.0 FTE Technician III at \$40,068 salary + PERA + Medicare; 4.0 FTE for only 11 months in FY 2014-15; additional 2.0 FTE for only 11 months in FY 2015-16)	221,674	332,760	342,366
Mental Health Institute - Ft. Logan Operating Expenses (per FTE costs of \$450 for telephone and \$500 for supplies for 2.0 FTE (for 6 months only in FY 2014-15); \$10,798 for travel; one-time capital outlay costs of \$3,473 for 4.0 FTE in FY 2014-15 and 2.0 FTE in FY 2015-16; and \$33,974 for IT devices in FY 2016-17)	<u>33,410</u>	<u>25,904</u>	<u>58,572</u>
Subtotal	255,084	358,664	400,938
<u>Office of Information Technology Services</u>			
Electronic Health Records, Vendor Costs (new line item) (ongoing fees, system hosting, and support)	0	0	1,091,930
Electronic Health Records, Vendor Costs (new line item) (ongoing development and enhancement)	0	0	1,436,872
Health Information Management System	<u>0</u>	<u>0</u>	<u>(377,787)</u>
Subtotal	0	0	2,151,015
<u>Central Appropriations (Executive Director's Office)</u>			
Health, Life, and Dental	22,105	35,368	35,368
Short-term Disability	528	836	864
AED	9,602	16,731	18,856
SAED	<u>9,002</u>	<u>16,161</u>	<u>18,659</u>
Subtotal	41,237	69,096	73,747
Total	\$350,396	\$528,164	\$2,734,592
FTE	4.5	7.7	8.0

Benefits of Proposed System

The Department indicates that the new EHR system will:

- Improve clinical efficiency and patient safety;

- Provide new safeguards in pharmaceutical prescribing, dispensing, and administration practices; and
- Expand the use of clinical outcomes and operations data by institute managers.

Further, the Department indicates that within two years following the completed implementation of the new EHR system, and with the funded support of ongoing vendor, staff, and operational expenses, the institutes will:

- Order, dispense, and administer medications through an automated, bar-coded process that eliminates order transcription and reduces medication errors to near zero²⁰;
- Drive patient care from treatment plans that are automatically constructed from electronic information, implemented through scheduled medications and treatments, monitored through records that capture the delivery of treatments and ongoing acuity of the patient, and evaluated by a graphic display of the patient's improvement over time;
- Provide clinicians with quick and simple access to lists of patients on high alert medications, and relevant information about their allergies, lab results, and diets;
- Provide physicians and other clinicians with automated decision-support logic;
- Allow users to easily see all the clinical information they need for a patient, in a display that is intuitive and useful for clinical decision-making, but limit the users to only the information that is medically appropriate and necessary;
- Provide for the secure release and acceptance of patient records between the institutes, other providers, and the patients; and
- Capture and process all psychiatric, medical, legal, administrative, billing, and other relevant data in a unified, integrated system that is intuitive, provides useful information quickly and easily, completely replaces the paper medical record, is embraced by the hundreds of users, and improves patient safety and operating efficiency.

The Department further notes that the accuracy of diagnoses, improved care coordination, and improved health outcomes will impact several performance measures that are routinely monitored by the Department, including the number of staff and patient injuries and the number of seclusion and restraint incidents.

Resulting Savings

The Department's request does include a reduction of \$377,787 beginning in FY 2016-17 for costs that will no longer be incurred for the Health Information Management System. However, the Department's request assumes that there will be no FTE savings from implementing the new system.

²⁰ The Department notes that medication errors at the institutes are twice the national average due to transcription errors. This error rate poses a risk to patient health and safety.

Specifically, the Department explains that efficiencies gained for physicians and clinicians will allow for more time in patient care. The Department does not envision the new system resulting in any reductions in direct-care staff as the current staffing ratios must be maintained for safety, quality of care, and regulatory compliance. Finally, the Department does not expect a reduction in non-direct-care FTE because they have other critical duties and they will perform similar tasks within the new EHR system. Thus, the new system is anticipated to result in improved care, patient safety, and information, but is not expected to translate into cost reductions.

Staff Recommendation

Staff recommends approving both the capital and operating requests. The Department has implemented all 19 recommendations that were included in the May 2011 audit report, but an EHR system is critical to fully address the concerns and issues identified in the audit. The proposed system would improve patient care by providing clinicians and staff timely and efficient access to relevant information. The system would also make data concerning patient care and outcomes more readily available for use by institute managers, and provide for a secure, efficient way to transfer patient records between the institutes, other providers, and the patients.

While the proposed fully integrated system is not a top-of-the line system that is offered by some vendors, it would meet federal standards related to EHR systems, be useful to staff and clinicians, and present the fewest problems going forward. The Department is targeting a tier of EHR off-the-shelf products that are designed to allow Department staff to control the core logic of the system (*e.g.*, the rules that indicate which medication is appropriate for a patient) as well as reporting tools and documentation such as care plans, and leave complex programming tasks to the vendor.

The Governor's Health Implementation Coordinator indicates that while several state agencies utilize health information technology, no enterprise EHR solution exists that would support each state agency's EHR needs. An analysis of the needs of the Department of Corrections, the Department of Public Health and Environment, and the Department of Human Services' mental health institutes and nursing homes indicates that each agency's requirements related to administrative systems, clinical systems, interfaces to ancillary systems, and other agency systems (*e.g.*, financial systems, legal tracking system, offender management system) differ. Each state agency has distinctly different patient populations, settings, and regulatory requirements that could not be supported by one, single-vendor solution. While much of the ambulatory care, case management, and ancillary interfaces could be aligned, there will always be a need for third party vendors to meet each agency's business requirements. Staff within the Governor's Office of Information Technology (OIT) agree with this assessment. However, OIT staff identified several areas for alignment of EHR solutions to gain efficiency and ensure connectivity across systems, including:

- Aligning RFP processes and requirements;
- Leveraging EHR training and practice transformation programs for workflow redesign assistance;

- Leveraging ancillary interface infrastructure for pharmacy, labs, and radiology across systems; and
- Aligning health information exchange integrations with the Department of Health Care Policy and Financing's request to improve health information connectivity.

Staff recommends that the issue of potential staff efficiencies be reevaluated once the new EHR is implemented. Staff agrees with the Department's assessment that efficiencies gained for physicians and clinicians should be reinvested into improved patient care, and that the EHR is unlikely to result in any reductions in direct-care staff due to required staffing ratios for safety, quality of care, and regulatory compliance. However, staff believes that it is reasonable to expect some administrative staff efficiencies to result when the EHR system is fully implemented. If the Department requires offsetting increases in administrative staff due to other requirements (e.g., changes in billing procedures), such increases should be separately identified and requested.

➔ R21 Health Information Management System (HIMS) line increase

Request: The Department requests \$229,129 General Fund for the existing Health Information Management System (HIMS) and to upgrade the fiber optic infrastructure at the mental health institutes. [Please note that this line item is in the Office of Information Technology Services, so it does not appear in Appendix A.]

Recommendation: Staff recommends approving the request to ensure that the existing system is maintained and functional until the new EHR system is fully implemented July 1, 2016.

Analysis:

The request includes two components:

- *Increased Contract Costs (\$27,265).* The Health Information Management System (HIMS, also known as Avatar) supports clinical and administrative business functions within the mental health institutes, the regional centers, and the Division of Youth Corrections. The data and information collected from the various facilities is used daily by staff to make clinical decisions for individuals served, and is critical in the analysis of and reporting to state and federal authorities concerning clinical and business operations. The Department has negotiated new five-year contracts (FY 2013-14 through FY 2017-18) with the four vendors that provide and maintain the HIMS software components, and the existing appropriation is insufficient to cover the annual contract costs.
- *Fiber Optic Infrastructure Costs (\$201,864).* HIMS and other network applications are enabled by the facilities' fiber optic infrastructure. The Department requests \$146,000 in one-time funding to upgrade the infrastructure at both mental health institutes because it has insufficient bandwidth to handle current and projected network usage. The Department's estimate is based on a cost of \$400 per wireless access point (187 at Pueblo and 84 at Ft. Logan), with additional costs for fiber optic cabling, based on recent OIT experience on similar projects. The existing bandwidth impacts access to patient information and causes

problems for data transfer between systems, including frequent "timing out" when running large processes. The Department also requests \$55,864 in ongoing funding to cover the costs of a service contract at Pueblo to upgrade network access speed.

Staff recommends approving the request. HIMS and the fiber optic infrastructure are critical for the Department to treat patients at the mental health institutes and for hospital operations. HIMS must be maintained until the new EHR system is available for clinical decisions, patient care, and performance evaluation. By improving the infrastructure, the Department will be able to: provide faster access to patient information; eliminate the "timing out" of large reports; and improve the effectiveness of data transfers to ancillary systems. The proposed infrastructure upgrade will also be necessary to support the new EHR system's secure, wireless capacity and real-time loading of clinical information onto tablets and mobile devices.

If this request is not approved, the mental health institutes will use available funding for operating expenses, which would reduce funding available for equipment maintenance, repair, and replacement.

➔ R14 Psychiatrist base salary adjustment

Request: The Department \$448,580 General Fund to increase salaries for the psychiatrists at the mental health institutes in order to improve the institutes' ability to hire and retain psychiatrists.

Recommendation: Staff recommends approving the request to ensure that these critical positions are filled. These positions are essential to quality patient care and the performance of several court-related duties.

Analysis: Psychiatrists contracted by the institutes are responsible for evaluating and diagnosing patients, developing treatment plans, prescribing medication, and assessing patient response to treatment. The Office of Behavioral Health employs psychiatrists at both institutes through a contractual relationship with the University of Colorado-Denver School of Medicine. Psychiatrist salaries at the institutes range from \$154,000 to \$170,000 per year. The Department indicates that psychiatrists with comparable certifications and experience generally earn between \$175,000 and \$210,000; starting salaries at the Department of Corrections (DOC) are now \$174,000. The Department proposes to increase psychiatrist base salaries to an average of \$175,000 per year to address salary compression and make salaries more competitive with those paid by DOC and the broader market in Colorado. Specifically, the institutes plan to increase starting salaries of new hires and the salaries of existing psychiatrists to amounts comparable with other state agencies and community providers, based on certification and experience.

Currently five of the 19 full-time psychiatrist positions at the institutes are vacant (two of seven at CMHIFL and three of 12 at CMHIP). This not only creates additional workload on the remaining psychiatrists, but it also increases the on-call pay and incentive pay in order to maintain the required level of coverage. In an attempt to mitigate impacts on patients, the CMHIP has hired mid-level practitioners, including nurse practitioners and physician assistants to address the gaps in coverage due to vacant psychiatrist positions. This can result in

unnecessary delays in patient treatment and diagnosis since these practitioners cannot perform these independently. These practitioners also cannot prepare court documents, testify in court, perform forensic evaluations, provide consultation and second opinions, petition the court for court ordered medications and treatments, or perform electric convulsive therapies. In addition to providing appropriate patient care, adequate psychiatrist staffing is necessary to comply with state and federal regulatory requirements, comply with the 2002 *Neiberger v. Hawkins* settlement agreement.

The following table details the components of this request.

Summary of Request for R14: Psychiatrist Base Salary Adjustment		
	FY 2014-15	FY 2015-16
<u>Office of Behavioral Health</u>		
<i>Mental Health Institutes</i>		
Mental Health Institute - Ft. Logan Personal Services	\$118,000	\$118,000
Mental Health Institute - Pueblo Personal Services	330,580	330,580
Total	\$448,580	\$448,580

The amounts requested include the 8.1 percent administrative fee associated with the contractual relationship between the Office of Behavioral Health and the University of Colorado-Denver School of Medicine.

Staff recommends approving the request to provide salary parity with DOC, and to ensure that the institutes are able to attract and retain a sufficient number of psychiatrists to provide appropriate patient care and comply with state and federal regulatory requirements and the 2002 *Neiberger v. Hawkins* settlement agreement.

➔ BA6 MHI medical services

Request: The Department requests an increase of \$950,536 General Fund for the mental health institutes, including: (1) an increase of \$1,601,453 for contract medical staff, contract medical services, catastrophic medical expenses, and related ancillary services; and (2) a decrease of \$650,917 General Fund for the purchase of medications for patients.

Recommendation: Staff recommends approving the request.

Analysis:

Department Request

The Department requests an increase of \$950,536 General Fund for the mental health institutes for FY 2014-15, including an increase of \$1,601,453 for personal services and a reduction of \$650,917 for pharmaceuticals. These adjustments, along with similar adjustments that were requested (and approved) for FY 2013-14, are detailed in the following table. A description of each component follows the table.

JBC Staff Figure Setting – FY 2014-15
Staff Working Document – Does Not Represent Committee Decision

Supplemental Request Priority 5: Mental Health Institutes Medical Services						
Line Item	FY 2013-14			FY 2014-15		
	Fort Logan	Pueblo	Total	Fort Logan	Pueblo	Total
Personal Services:						
Catastrophic medical expenses	\$0	\$633,711	\$633,711	\$0	\$0	\$0
Contract medical services	43,685	46,157	89,842	0	0	0
Laboratory tests, ambulance services, sitters, and translators	43,048	63,503	106,551	0	0	0
Contract medical staff	56,835	1,268,620	1,325,455	102,122	1,397,704	1,499,826
On-call/ on-duty pay	<u>101,627</u>	<u>0</u>	<u>101,627</u>	<u>101,627</u>	<u>0</u>	<u>101,627</u>
Subtotal: Personal Services	245,195	2,011,991	2,257,186	203,749	1,397,704	1,601,453
Pharmaceuticals	115,499	(1,043,295)	(927,796)	198,083	(849,000)	(650,917)
Total Requested Change	\$360,694	\$968,696	\$1,329,390	\$401,832	\$548,704	\$950,536

Personal Services

The Personal Services line item appropriation for each institute covers employee compensation, as well as contractual expenses for medical and other services that are not performed by institute employees. If these types of expenses are higher than anticipated, the institutes may be required to hold staff positions vacant in order to cover the additional costs. This affects the institutes' ability to efficiently fill positions and to maintain the staffing levels necessary to promote the health and recovery of their patients.

Contract medical staff (\$1,499,826). Both institutes contract with the University of Colorado-Denver (UCD) for staff physicians and mid-level medical professionals to provide on-site medical care to patients. The Ft. Logan institute also contracts with several medical staffing agencies for nursing staff to cover shifts, off-grounds coverage, and scheduling shortages caused by modified duty, training, and sick and annual leave. The FY 2013-14 supplemental request included \$1,325,455 to cover increases in contract medical staff utilization and contract rates, including \$787,809 for physicians and \$537,646 for nurses and other medical providers. The Department is requesting continuation of this increase in FY 2014-15.

The requested amount includes funding for a 3.0 percent increase in contract rates. Following several years in which the UCD contract physician pay has remained flat, UCD requested that contract physician pay be increased in FY 2013-14 by an amount commensurate with the salary increases that were provided for state employees. Given the increasing challenge of recruiting and retaining quality contract physicians and mid-level providers through UCD, and Department agreed to increase the contract rates by a maximum of 3.0 percent for FY 2013-14. The institutes have not historically included UCD contract staff in the Department's request for provider rate increases, so it is requesting a mid-year increase for FY 2013-14. For FY 2014-15, the Department requests an increase of \$174,371 to provide another 1.5 percent contract rate increase. In the future, the Department plans to include UCD provider rate increases as part of the Department's annual provider rate increase request.

On-call/ on-duty pay (\$101,627). Physician coverage is required at both institutes 24 hours a day. Contracted on-call or on-duty pay is used to provide physician coverage at night, on weekends and on holidays. The Ft. Logan institute has been increasingly challenged to hire physicians to provide this critical coverage, and has been forced to recruit and hire resident physicians-in-training. Even among the resident physicians-in-training, the turnover is very high and fewer resident physicians are applying at the institute. The Ft. Logan institute generally offers \$40-45 per hour for on-call or on-duty pay. The Department indicates that within the metro area, the average hourly rate for on-call/on-duty physicians paid by hospitals, acute psychiatric hospital units, emergency rooms, and urgent care facilities is \$100. In order to ensure adequate coverage, the Ft. Logan institute needs to offer a more competitive rate. The Department requested \$101,627 to increase the hourly rate by \$25, beginning in FY 2013-14.

Pharmaceuticals

The Pharmaceuticals line item appropriation for each institute covers the cost of purchasing medications for institute patients, including psychiatric medications, over-the-counter medications, and medications for specific medical conditions. The Department indicates that pharmaceutical expenses are difficult to forecast due to changing patient needs, variability in prescription drug prices, and changes in the availability of generic medications.

For FY 2013-14, the Department requested an increase of \$115,499 to cover higher than anticipated pharmaceutical expenses at the Ft. Logan institute for two primary reasons.

- In FY 2012-13, the Ft. Logan institute received pharmaceutical vouchers for Risperdal Consta (approved for treatment of schizophrenia and for the maintenance treatment of Bipolar I Disorder). Since the introduction of Invega Sustenna (a newer schizophrenia medication supplied through the same company), the vouchers for Risperdal Consta are no longer available.
- The generic long acting Prolixin is no longer available and the company is not sure when it will become available again. This has increased the usage of non-generic medications.

For FY 2014-15, the Department is requesting that this increase be sustained plus an additional 6.5 percent increase to cover projected medical inflation.

For FY 2013-14, the Department also requested a decrease of \$1,043,295 to reflect lower projected pharmaceutical expenses at the Pueblo institute. This under expenditure is primarily due to the availability of generic atypical antipsychotic medications. For FY 2014-15, the Department reduced its request for pharmaceuticals for the Pueblo institute by \$849,000.

Staff Recommendation

Staff recommends approving the requested adjustments for FY 2014-15 to ensure that both institutes have sufficient funding to cover medical expenditures, and to reallocate funds among line items to better reflect anticipated expenditures.

➔ BA8 MHI revenue adjustment

Request: The Department requested adjustments to FY 2013-14 appropriations for the mental health institutes to reflect updated revenue estimates and to ensure that both institutes have sufficient revenues to cover operational expenses. These adjustments required a total increase of \$1,979,029 General Fund. The Department requests continuation of these adjustments for FY 2014-15.

Recommendation: Staff recommends approving the request.

Analysis: The mental health institutes at Ft. Logan and Pueblo receive revenues from various sources, including: patient payments (typically from disability benefits); Medicare; Medicaid; commercial insurance (*e.g.*, Blue Cross, Kaiser); and other state agencies (*e.g.*, the Departments of Corrections and Education) to pay for the cost of patient care. The Department typically submits a supplemental request and a budget amendment each year to adjust revenue sources based on the patient mix and any changes to Medicare and Medicaid reimbursements.

The Committee recently approved a Department request to adjust FY 2013-14 appropriations to the two mental health institutes to reflect updated revenue estimates. As detailed in the following table, the request resulted in a net change of zero total funds for the FY 2013-14 Human Services budget, and an increase of \$221,994 total funds (including \$110,997 General Fund) for the FY 2013-14 Health Care Policy and Financing (HCPF) budget. The result was an overall General Fund increase of \$1,979,029.

Mental Health Institutes Revenue Adjustment Request (for both FY 2013-14 and FY 2014-15)			
	Fort Logan	Pueblo	Total
Total	\$0	\$0	\$0
General Fund	258,823	1,609,209	1,868,032
Cash Funds	(238,049)	(1,853,382)	(2,091,431)
Reappropriated Funds	(20,774)	244,173	223,399
<i>Net General Fund</i>	<i>258,823</i>	<i>1,720,206</i>	<i>1,979,029</i>

*Net General Fund equals the General Fund appropriation to the Department of Human Services plus the General Fund appropriation component of moneys reappropriated to the Department of Human Services from the Department of Health Care Policy and Financing.

The Department requests that these revenue adjustments continue for FY 2014-15.

The Department's initial revenue estimate was based on revenues earned the previous 12 months (October 2012 through September 2013). This supplemental request is based on revenues earned from July 2013 through November 2013. The following table details the changes in estimated earned revenue.

JBC Staff Figure Setting – FY 2014-15
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Mental Health Institutes' Requested/Recommended Revenue Changes	
Reason for Adjustment	Amount
Decrease in revenue from Medicare A and B claims based on patient mix, eligible Medicare benefits, number of billable days, and rate changes	(\$2,196,493)
Increase in revenue from patient fees, commercial insurance, court payments, and Medicare Part D revenue from prescription drug plans	105,062
Total Cash Funds	(2,091,431)
Increase in revenue from Medicaid fee-for-service payments made to the institutes for the provision of services for the Division of Youth Corrections and the Institute for Forensic Psychiatry at the Pueblo institute	221,994*
Decrease in Medicaid capitation revenue from Behavioral Health Organizations (BHOs) due to a decrease in the number of billable days at the Pueblo institute	(3,614)
Increase in revenue transferred from the Department of Education for students receiving services at the Pueblo institute due to an increase in the number of student days	5,019
Total Reappropriated Funds	\$223,399
Total Adjusted Earned Revenue	(\$1,868,032)

*Please note that this amount includes \$110,997 General Fund in the HCPF budget.

As detailed in the above table, the cash fund appropriations to the institutes for FY 2013-14 overstated current revenue estimates by \$2,091,431, and the reappropriated funds appropriations understated current revenue estimates by \$223,399. Thus, the Department anticipated that the institutes require an additional \$1,868,032 General Fund for FY 2013-14 to prevent an operating shortfall of \$1,868,032.

Staff Recommendation

Staff recommends that the Committee maintain the recently approved revenue adjustments for FY 2014-15 to reflect updated projections of revenues and ensure that both institutes have sufficient funding to cover operating expenses.

(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 contracted medical services and the medical staff employed through an interagency agreement with the University of Colorado at Denver. The following table details the types of employees that are supported by this line item.

JBC Staff Figure Setting – FY 2014-15
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Staffing Summary	FY 2012-13	FY 2013-14	FY 2014-15	
Colorado Mental Health Institute-Fort Logan	Actual	Appropriation	Request	Recomm.
Administrative/Program Support Staff	24.7	23.4	23.4	23.4
Information Management	2.0	3.0	3.9	3.9
Management and Administration	7.9	11.5	11.5	11.5
Nursing	58.3	55.8	55.8	55.8
Nutrition	16.5	18.0	18.0	18.0
Patient Medical Services (e.g., lab, dental, pharmacy, xray, etc.)	6.5	6.8	6.8	6.8
Patient Support Services (e.g., medical records, admissions, patient rights, chaplain, etc.)	16.5	12.0	12.0	12.0
Psychology	5.2	4.5	4.6	4.6
Safety and Security	12.3	11.5	11.5	11.5
Social Work	66.5	60.9	61.0	61.0
Therapy (Vocational, Rehabilitation, Occupational)	<u>8.0</u>	<u>9.0</u>	<u>9.0</u>	<u>9.0</u>
Total	224.4	216.4	217.5	217.5

Request: The Department requests \$18.0 million total funds (including \$16.0 million General Fund) and 217.5 FTE for FY 2014-15. The request is impacted by the following decision items:

- R10 Outside medical expenses
- R11 MHIs electronic health record system
- R12 Provider rate increase
- R14 Psychiatrist base salary adjustment
- BA6 MHI medical services
- BA8 MHI revenue adjustment

Recommendation: As detailed in the following table, staff recommends appropriating \$18.0 million total funds and 217.5 FTE. Please note that as staff recommends continuation of the revenue adjustments requested through BA8 and previously approved for FY 2013-14, these adjustments do not appear in the following table.

JBC Staff Figure Setting – FY 2014-15
Staff Working Document – Does Not Represent Committee Decision

Behavioral Health Services, Mental Health Institutes, Mental Health Institute - Ft. Logan, Personal Services						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	FTE	
FY 2013-14 Appropriation						
SB 13-230 (Long Bill)	\$18,074,275	\$15,833,822	\$2,187,924	\$52,529		216.4
H.B. 14-1238 (Supplemental Bill)	245,195	504,018	(238,049)	(20,774)		0.0
TOTAL	\$18,319,470	\$16,337,840	\$1,949,875	\$31,755		216.4
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	\$18,319,470	\$16,337,840	\$1,949,875	\$31,755		216.4
Annualize salary survey and merit pay increases	530,055	530,055	0	0		0.0
R14 Psychiatrist base salary adjustment	118,000	118,000	0	0		0.0
R11 MHIs electronic health record system	46,210	46,210	0	0		0.9
Annualize prior year budget actions	10,254	10,254	0	0		0.2
R12 Community provider rate	3,594	3,594	0	0		0.0
R10 Outside medical expenses	(979,785)	(979,785)	0	0		0.0
BA6 MHI medical services (incremental change)	(41,446)	(41,446)	0	0		0.0
TOTAL	\$18,006,352	\$16,024,722	\$1,949,875	\$31,755		217.5
Increase/(Decrease)	(\$313,118)	(\$313,118)	\$0	\$0		1.1
Percentage Change	(1.7%)	(1.9%)	0.0%	0.0%		0.5%
FY 2014-15 Executive Request:	\$18,004,555	\$16,022,925	\$1,949,875	\$31,755		217.5
Request Above/(Below) Recommendation	(\$1,797)	(\$1,797)	\$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 2013-14.

R14 Psychiatrist base salary adjustment. The recommendation for this line item includes \$118,000 General Fund consistent with the recommendation described above for R14.

R11 MHIs electronic health record system. The recommendation for this line item includes \$46,210 General Fund and 0.9 FTE consistent with the recommendation described above for R11.

Annualize prior year budget actions. The recommendation includes \$10,254 General Fund and 0.2 FTE to annualize a decision item approved for FY 2013-14 (R7 Modernize treatment services at the MHIs).

R12 Community provider rate. Consistent with Committee policy, the recommendation includes an increase of \$3,594 General Fund for a 3.0 percent provider rate increase (R12) on the portion

of the appropriation (\$119,814) that supports contracts with peer specialists (per FY 2013-14 decision item R7 Modernize treatment services as the CMHIs).

R10 Outside medical expenses. The recommendation includes a reduction of \$979,785 as described above for R10.

BA6 MHI medical services. The recommendation for this line item includes an incremental reduction of \$41,446 General Fund consistent with the recommendation described above for BA6.

Contract Medical Services (New line item proposed by Department)

The Department requests that the FY 2014-15 Long Bill include a new line item to cover the costs of outside medical expenses for CMHIFL patients. These costs are currently covered by the previous personal services line item.

Request: The Department requests \$1,269,465 General Fund through R10 Outside medical expenses.

Recommendation: Staff recommends approving the request, as described above for R10.

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 \$1,067,055 (including \$907,646 General Fund). The request is impacted by R11 MHIs electronic health record system and NPI DPA BA1 Mail, postage and envelope request.

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

JBC Staff Figure Setting – FY 2014-15
Staff Working Document – Does Not Represent Committee Decision

Behavioral Health Services, Mental Health Institutes, Mental Health Institute - Ft. Logan, Operating Expenses					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	FTE
FY 2013-14 Appropriation					
SB 13-230 (Long Bill)	\$1,080,718	\$921,435	\$123,601	\$35,682	0.0
H.B. 14-1238 (Supplemental Bill)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$1,080,718	\$921,435	\$123,601	\$35,682	0.0
FY 2014-15 Recommended Appropriation					
FY 2013-14 Appropriation	\$1,080,718	\$921,435	\$123,601	\$35,682	0.0
R11 MHIs electronic health record system	7,865	7,865	0	0	0.0
NPI DPA BA1 Mail, postage and envelope request	1,078	952	126	0	0.0
Annualize prior year budget actions	<u>(22,606)</u>	<u>(22,606)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$1,067,055	\$907,646	\$123,727	\$35,682	0.0
Increase/(Decrease)	(\$13,663)	(\$13,789)	\$126	\$0	0.0
Percentage Change	(1.3%)	(1.5%)	0.1%	0.0%	0.0%
FY 2014-15 Executive Request:	\$1,067,055	\$907,646	\$123,727	\$35,682	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	0.0

R11 MHIs electronic health record system. The recommendation for this line item includes \$7,865 General Fund consistent with the recommendation described above for R11.

NPI DPA BA1 Mail, postage and envelope request. The table above reflects the request for this budget amendment. Staff will ultimately reflect the amount approved by the Committee when it acts on the Department of Personnel's budget request.

Annualize prior year budget actions. The recommendation reflects a reduction of \$22,606 General Fund to annualize a decision item approved for FY 2013-14 (R7 Modernize treatment services at the MHIs).

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 request is impacted by BA6 MHI medical services.

Recommendation: Staff recommends approving the request, which includes an incremental increase of \$82,584 General Fund for BA6 MHI medical services.

(1) 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 contracted medical services and the medical staff employed through an interagency agreement with the University of Colorado at Denver. The following table details the types of employees that are supported by this line item.

Staffing Summary	FY 2012-13	FY 2013-14	FY 2014-15	
Colorado Mental Health Institute-Pueblo	Actual	Appropriation	Request	Recomm.
Administrative/Program Support Staff	55.7	54.4	54.4	54.4
Education	7.5	10.3	10.3	10.3
Information Management	5.1	6.4	10.0	10.0
Management and Administration	33.6	32.1	32.1	32.1
Nursing	448.7	424.3	424.3	424.3
Nutrition (NPI DOC BA3 Population increase)	83.7	80.7	80.9	80.9
Patient Medical Services (<i>e.g.</i> , lab, dental, pharmacy, xray, etc.)	29.3	29.3	29.3	29.3
Patient Support Services (<i>e.g.</i> , medical records, admissions, patient rights, chaplain, etc.)	56.9	56.5	56.5	56.5
Psychology	32.9	38.5	38.7	38.7
Safety and Security	75.5	79.9	79.9	79.9
Social Work	84.0	87.0	87.2	87.2
Therapy (Vocational, Rehabilitation, Occupational)	41.8	56.3	56.3	56.3
Total	954.7	955.7	959.9	959.9

Request: The Department requests \$65.7 million (including \$54.6 million General Fund) and 959.9 FTE. The request is impacted by the following decision items:

- R10 Outside medical expenses
- R11 MHIs electronic health record system
- R12 Provider rate increase
- R14 Psychiatrist base salary adjustment
- BA6 MHI medical services
- BA8 MHI revenue adjustment
- NPI DOC BA3 Population increase
- NPI HCPF BA10 Enhanced FMAP

Recommendation: As detailed in the following table, staff recommends appropriating \$65.7 million total funds and 959.9 FTE. Please note that as staff recommends continuation of the revenue adjustments requested through BA8 and previously approved for FY 2013-14, these adjustments do not appear in the following table.

*JBC Staff Figure Setting – FY 2014-15
Staff Working Document – Does Not Represent Committee Decision*

Behavioral Health Services, Mental Health Institutes, Mental Health Institute - Pueblo, Personal Services					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	FTE
FY 2013-14 Appropriation					
SB 13-230 (Long Bill)	\$63,953,167	\$51,252,738	\$6,493,976	\$6,206,453	955.4
H.B. 14-1238 (Supplemental Bill)	2,011,991	3,626,219	(1,853,382)	239,154	0.0
Recommended adjustment to be included in FY 2014-15 Long Bill	<u>13,932</u>	<u>0</u>	<u>0</u>	<u>13,932</u>	<u>0.3</u>
TOTAL	\$65,979,090	\$54,878,957	\$4,640,594	\$6,459,539	955.7
FY 2014-15 Recommended Appropriation					
FY 2013-14 Appropriation	\$65,979,090	\$54,878,957	\$4,640,594	\$6,459,539	955.7
Annualize salary survey and merit pay increases	2,069,466	2,069,466	0	0	0.0
R14 Psychiatrist base salary adjustment	330,580	330,580	0	0	0.0
R11 MHIs electronic health record system	221,674	221,674	0	0	3.6
Annualize prior year budget actions	24,701	24,701	0	0	0.4
R12 Community provider rate	7,189	7,189	0	0	0.0
Non-prioritized requested changes	4,862	0	0	4,862	0.2
R10 Outside medical expenses	(2,280,313)	(2,280,313)	0	0	0.0
BA6 MHI medical services (incremental change)	<u>(614,287)</u>	<u>(614,287)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$65,742,962	\$54,637,967	\$4,640,594	\$6,464,401	959.9
Increase/(Decrease)	(\$236,128)	(\$240,990)	\$0	\$4,862	4.2
Percentage Change	(0.4%)	(0.4%)	0.0%	0.1%	0.4%
FY 2014-15 Executive Request:	\$65,739,367	\$54,620,204	\$4,640,594	\$6,478,569	959.9
Request Above/(Below) Recommendation	(\$3,595)	(\$17,763)	\$0	\$14,168	0.0

Recommended adjustment to be included in FY 2014-15 Long Bill. As discussed below for the Operating Expenses line item, staff recommends an adjustment to the FY 2013-14 appropriation to implement a previous Committee decision.

Annualize salary survey and merit pay increases. The recommendation reflects the annualization of salary survey and merit pay increases awarded in FY 2013-14.

R14 Psychiatrist base salary adjustment. The recommendation for this line item includes \$330,580 General Fund consistent with the recommendation described above for R14.

R11 MHIs electronic health record system. The recommendation for this line item includes \$221,674 General Fund and 3.6 FTE consistent with the recommendation described above for R11.

Annualize prior year budget actions. The recommendation includes \$24,701 General Fund and 0.4 FTE to annualize a decision item approved for FY 2013-14 (R7 Modernize treatment services at the MHIs).

R12 Community provider rate. Consistent with Committee policy, the recommendation includes an increase of \$7,189 General Fund for a 3.0 percent provider rate increase (R12) on the portion of the appropriation (\$239,628) that supports contracts with peer specialists (per FY 2013-14 decision item R7 Modernize treatment services as the CMHIs).

Non-prioritized requested changes. The recommendation includes \$4,862 reappropriated funds and 0.2 FTE. This is the incremental increase requested through NPI DOC S5/BA3 Population increase (discussed below). Staff will ultimately reflect the amount approved by the Committee once it acts on the DOC budget request.

R10 Outside medical expenses. The recommendation includes a reduction of \$2,280,313 General Fund as described above for R10.

BA6 MHI medical services (incremental change). The recommendation for this line item includes an incremental reduction of \$614,287 consistent with the recommendation described above for BA6.

Contract Medical Services (New line item proposed by Department)

The Department requests that the FY 2014-15 Long Bill include a new line item to cover the costs of outside medical expenses for CMHIP patients. These costs are currently covered by the previous personal services line item.

Request: The Department requests \$3,589,425 General Fund through R10 Outside medical expenses.

Recommendation: Staff recommends approving the request, as described above for R10.

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.

Request: The Department requests \$5,301,861 (including \$3,963,118 General Fund). The request is impacted by the following decision items:

- R11 MHIs electronic health record system
- NPI DOC R9 Raw food cost increase
- NPI DOC BA3 Population increase
- NPI HCPF BA10 Enhanced FMAP
- NPI DPA BA1 Mail, postage and envelope request

JBC Staff Figure Setting – FY 2014-15
Staff Working Document – Does Not Represent Committee Decision

Recommendation: As detailed in the following table, staff recommends appropriating \$5,293,919 total funds.

Behavioral Health Services, Mental Health Institutes, Mental Health Institute - Pueblo, Operating Expenses					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	FTE
FY 2013-14 Appropriation					
SB 13-230 (Long Bill)	\$4,885,628	\$4,012,426	\$403,362	\$469,840	0.0
H.B. 14-1238 (Supplemental Bill)	0	0	0	0	0.0
Recommended adjustment to be included in FY 2014-15 Long Bill	<u>22,315</u>	<u>0</u>	<u>0</u>	<u>22,315</u>	<u>0.0</u>
TOTAL	\$4,907,943	\$4,012,426	\$403,362	\$492,155	0.0
FY 2014-15 Recommended Appropriation					
FY 2013-14 Appropriation	\$4,907,943	\$4,012,426	\$403,362	\$492,155	0.0
Non-prioritized requested changes	435,211	0	0	435,211	0.0
R11 MHIs electronic health record system	33,410	33,410	0	0	0.0
NP BA Mail, postage, and envelope request	870	797	73	0	0.0
Annualize prior year budget actions	<u>(83,515)</u>	<u>(83,515)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$5,293,919	\$3,963,118	\$403,435	\$927,366	0.0
Increase/(Decrease)	\$385,976	(\$49,308)	\$73	\$435,211	0.0
Percentage Change	7.9%	(1.2%)	0.0%	88.4%	0.0%
FY 2014-15 Executive Request:	\$5,301,861	\$3,963,118	\$403,435	\$935,308	0.0
Request Above/(Below) Recommendation	\$7,942	\$0	\$0	\$7,942	0.0

Recommended adjustment to be included in FY 2014-15 Long Bill. As discussed below for NPI DOC S5/BA3 (Population increase), staff recommends an adjustment to the FY 2013-14 appropriation to implement a previous Committee decision.

Non-prioritized requested changes. The recommendation includes \$435,211 reappropriated funds transferred from DOC, including \$420,587 recommended for NPI DOC R9 (Raw food cost increase) and an incremental increase of \$14,624 requested through NPI DOC S5/BA3 Population increase. Both of these requests are discussed below.

R11 MHIs electronic health record system. The recommendation for this line item includes \$33,410 General Fund consistent with the recommendation described above for R11.

NPI DPA BA1 Mail, postage and envelope request. The table above reflects the request for this budget amendment. Staff will ultimately reflect the amount approved by the Committee when it acts on the Department of Personnel's budget request.

Annualize prior year budget actions. The recommendation reflects a reduction of \$83,515 General Fund to annualize a decision item approved for FY 2013-14 (R7 Modernize treatment services at the MHIs).

➔ NP1 DOC R9 Raw food cost increase

Request: The DOC requests \$428,529 General Fund to cover the full costs of meals purchased from CMHIP. The Department of Human Services has submitted a corresponding non-prioritized request to increase the authority of the CMHIP to receive and spend an additional \$428,529 from the DOC.

Recommendation: Staff recommends appropriating \$420,587 General Fund to the DOC, and providing a commensurate appropriation from reappropriated funds to the Department of Human Services.

Analysis:

Background Information

The Department of Correction (DOC) is required to provide nutritionally adequate meals to offenders housed in state-operated prisons. Since at least FY 1990-91, the CMHIP has provided meal services to the DOC for offenders housed on the CMHIP campus. In FY 2012-13, the CMHIP provided approximately 1,116,000 meals for the DOC at a cost to DOC of \$1,661,821 (an average of \$1.49 per meal). This cost includes payments for raw food expenses (\$1,256,101) and labor expenses (\$405,720). The meals prepared by CMHIP for DOC follow DOC dietary guidelines, providing additional calories for offenders in the Youthful Offender System and addressing different nutritional requirements for women at the La Vista facility. Kosher meals are also provided, consistent with the practices of DOC-operated kitchens. Per meal costs are generally based on the caloric content. Since FY 2004-05, contracted meal rates and labor compensation have been stable with changes being limited to caloric requirements, increased labor for the opening of the La Vista Correctional Facility, and a wider range of menu options. *[For more background information, please see the issue brief that begins on page 25 of the FY 2014-15 JBC Staff Budget Briefing for the Department of Human Services (Behavioral Health Services) dated December 10, 2013.]*

With respect to *labor costs*, the existing inter-agency agreement requires the DOC to pay \$405,720 annually to cover the labor costs for 14.5 FTE at CMHIP. This portion of the agreement has remained unchanged since FY 2007-08, when the amount was increased in response to an increase in the number of offenders housed at the La Vista facility. In response to a staff inquiry, CMHIP staff indicate that the total labor expenses associated with the provision of meals to DOC is \$539,849. The difference between the amount DOC pays for labor and actual costs (\$134,129) includes salary increases and centrally appropriated benefits (*i.e.*, health, life and dental, short-term disability, and supplemental PERA payments required by S.B. 04-257 and S.B. 06-235). CMHIP staff indicate that because the cost of these items has been covered through direct General Fund appropriations to the Department of Human Services, this shortfall has not affected CMHIP operations.

With respect to *raw food expenses*, increases in costs have been absorbed by the CMHIP in its operating expenses line item appropriation since FY 2007-08. As a result, CMHIP has been required to reduce other hospital operational expenses, including reducing or delaying repair and replacement of equipment.

DOC Requests for FY 2013-14 and FY 2014-15

Last November the DOC submitted a FY 2014-15 budget request (R9) for \$830,871 General Fund to adjust appropriations to cover actual raw food costs. This request includes \$402,342 for DOC operations and \$428,529 for the purchase of meal services from CMHIP. The Department of Human Services has submitted a corresponding non-prioritized request to increase the authority of the CMHIP to receive and spend an additional \$428,529 from the DOC. **This request is addressed through this document (below).**

Staff Recommendation

The \$428,529 General Fund request related to CMHIP meal services was based on a comparison of actual raw food costs for the provision of DOC meals and the amount paid by DOC in FY 2012-13. This calculation was based on nine months of data (from July 2012 through March 2013) concerning the number of offenders housed in each DOC facility and actual CMHIP raw food costs per calorie. The Department has subsequently provided a full 12 months of data for the number of meals provided and raw food costs for FY 2012-13, as well as data concerning the number of meals provided and estimated raw food costs for the first six months of FY 2013-14.

In FY 2012-13, the raw food cost for meals provided to DOC exceeded the amount paid by DOC by \$382,222. **Staff recommends appropriating \$420,587 General Fund to the DOC for FY 2014-15 to cover the raw food costs of meals provided by CMHIP, and providing a commensurate appropriation from reappropriated funds to the Department of Human Services.** This recommendation intended to provide the DOC with an appropriation that is sufficient to cover the CMHIP's actual costs of providing meal services. The recommendation is based on the following data and assumptions to estimate the funding shortfall in FY 2014-15:

- Estimate the number of meals served based on the actual DOC census from July through December 2013. However, for the La Vista facility, use actual census data from July through September, to eliminate the impact of the population increase (as these additional costs are addressed through DOC BA3).
- Increase contract rates by 2.0 to reflect likely raw food inflation for FY 2013-14²¹.
- Increase the resulting shortfall by another 3.0 percent to reflect likely raw food inflation for FY 2014-15²¹.

²¹ The raw food inflation estimates are based on the Bureau of Labor Statistics' change in food price indices, using the midpoints of the respective forecasts for CY 2013 and CY 2014.



NPI DOC S5/BA3 Population increase

In addition to the above-described decision item, in mid-January 2014 the DOC submitted a FY 2013-14 supplemental request (S5) and a FY 2014-15 budget amendment (BA3) concerning population increases at the La Vista facility. These requests include additional General Fund for DOC to purchase more meals from the CMHIP. Thus, the Department of Human Services submitted a companion supplemental and budget amendment to receive and spend additional funds. Specifically, the Department of Human Services requested \$36,247 reappropriated funds and 0.3 FTE for FY 2013-14, and \$55,733 reappropriated funds and 0.5 FTE for FY 2014-15. The Committee approved this supplemental request, but through a staff oversight the approved amount was not included in the supplemental bill for the Department of Human Services (H.B. 14-1238). **Staff will thus include the following FY 2013-14 appropriation increases as a separate section within the FY 2014-15 Long Bill:**

- **CMHIP Personal Services²²: \$13,932 reappropriated funds and 0.3 FTE**
- **CMHIP Operating Expenses: \$22,315 reappropriated funds**

The budget amendment will be addressed through the staff figure setting document for the DOC (scheduled for March 12, 2014). Staff will adjust the spending authority for the CMHIP as necessary to correspond to the Committee's action on that request.

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). The request is impacted by BA6 (MHI medical services) and (NPI HCPF BA10 Enhanced FMAP).

Recommendation: Staff recommends approving the request, which includes an incremental increase of \$194,295 General Fund as discussed above for BA6 MHI medical services.

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

²² Please note that the requests reflect a portion of the funding in four centrally appropriated line items for employee benefits. It is staff's understanding that the Department's existing appropriations for centrally appropriated line items reflect 100 percent General Fund for CMHI staff. Thus, current appropriations reflect the full amount of moneys transferred from DOC in the CMHIP line items. Consistent with current practice, staff recommends including the additional funds in the CMHIP line items for both FY 2013-14 and FY 2014-15.

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), including \$34,555 General Fund and \$104,085 reappropriated funds.

Recommendation: Staff recommends approving the request. However, staff's recommendation reflects the amount of reappropriated funds that will be available should the Committee approve Craig Harper's recommendation for the Facility Schools Funding line item in the Department of Education (\$132,209). Staff will adjust the fund splits for this line item if necessary to reflect final Committee action.

Jail-based Competency Restoration Program

The line item provides funding for a 20-bed jail-based restoration program for defendants who have been determined by the court to be incompetent to proceed (ITP) in their criminal cases.

Request: The Department requests \$2,481,883 General Fund and 1.0 FTE. The request includes an increase of \$35,701 General Fund for a 1.5 percent provider rate increase (R12).

Recommendation: As detailed in the following table, staff recommends appropriating \$2,517,357 General Fund and 1.0 FTE. Consistent with Committee policy, the recommendation includes an increase of \$71,175 General Fund for a 3.0 percent provider rate increase (R12) on the portion of the FY 2014-15 appropriation (\$2,372,500) that supports contracts with peer specialists (per FY 2013-14 decision item R3A Increase access to MHI civil beds).

Behavioral Health Services, Mental Health Institutes, Jail-based Restoration Program			
	Total Funds	General Fund	FTE
FY 2013-14 Appropriation			
SB 13-230 (Long Bill)	<u>\$2,054,819</u>	<u>\$2,054,819</u>	<u>0.9</u>
TOTAL	\$2,054,819	\$2,054,819	0.9
FY 2014-15 Recommended Appropriation			
FY 2013-14 Appropriation	\$2,054,819	\$2,054,819	0.9
Annualize prior year budget actions	391,363	391,363	0.1
R12 Community provider rate	<u>71,175</u>	<u>71,175</u>	<u>0.0</u>
TOTAL	\$2,517,357	\$2,517,357	1.0
Increase/(Decrease)	\$462,538	\$462,538	0.1
Percentage Change	22.5%	22.5%	11.1%
FY 2014-15 Executive Request:	\$2,481,883	\$2,481,883	1.0
Request Above/(Below) Recommendation	(\$35,474)	(\$35,474)	0.0

Long Bill Footnotes and Requests for Information

LONG BILL FOOTNOTES

Staff recommends continuation of the following footnotes, as amended:

- 29 Department of Human Services, Behavioral Health Services, ~~Co-occurring INTEGRATED Behavioral Health Services~~, RURAL Co-occurring ~~Behavioral Health 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: Staff recommends including the same footnote in the FY 2014-15 Long Bill to state legislative intent. The recommended amendments correspond to recommended changes in the Long Bill format.

- 28a Department of Human Services, Behavioral Health Services, Mental Health Community Programs, ~~Mental Health Services for the Medically Indigent~~, Mental Health First Aid** -- It is the intent of the General Assembly that ~~\$253,830~~ of 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. ~~It is further the intent of the General Assembly that \$12,900 of this appropriation be used for the purpose of supporting statewide outreach, promotion, and coordination of Youth Mental Health First Aid.~~

Comment: As described above for R15 (Mental health first aid), this footnote accompanied the FY 2013-14 appropriation for MHFA to state the General Assembly's intent that funding for MHFA instructor training and certification courses be used to augment existing contracts with certain agencies. Section 27-66-104, C.R.S, concerns the Department's purchase of mental health services from community mental health centers (CMHCs), clinics, local hospitals, and other agencies approved by the Executive Director of DHS. The footnote was intended to ensure that the Department utilizes the existing infrastructure established through the MHFA Colorado public/private partnership to facilitate and track the statewide expansion of MHFA instructor training and certification courses.

The Department has confirmed that it intends to administer the funds appropriated for FY 2013-14 in a manner that is consistent with the intent expressed in the associated footnote, but that it intends to use a competitive procurement process for FY 2014-15. Staff believes that it is reasonable to continue utilizing the existing MHFA Colorado infrastructure to ensure that the state funding is used effectively to expand the availability of instructor training and certification courses statewide. Staff recommends including the footnote in the FY 2014-15 Long Bill. The recommended amendments correspond to

recommended changes in the Long Bill format, as well as the amount and purposes described in the Department's FY 2014-15 budget request.

N **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 would provide the Department with the authority to transfer up to 10.0 percent of its total annual appropriation (\$8,046,262 for FY 2014-15 based on staff's recommendations) between line items in the Mental Health Institutes section of the Long Bill. This footnote is intended to reduce the number of budget requests for mid-year appropriation adjustments, while maintaining transparency concerning expenditures and transfers among line items. Similar to the process used for footnotes that provide transfer authority to Judicial Department agencies, staff intends to provide the Committee with detailed information in the annual staff briefing document concerning amounts that are transferred each year.

REQUESTS FOR INFORMATION

Staff does not recommend the inclusion of any requests for information concerning behavioral health programs.

JBC Staff Figure Setting - FY 2014-15
Staff Working Document - Does Not Represent Committee Decision

Appendix A: Number Pages

	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2014-15 Request	FY 2014-15 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 for indigent individuals who are not eligible for Medicaid. [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), federal Medicare and Mental Health Institute patient revenues, the federal Mental Health Services Block Grant, transfers from the Judicial Branch (originating as General Fund and drug offender surcharge revenues), and tobacco litigation settlement moneys that are credited to the Offender Mental Health Services Fund.

(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>4,051,579</u>	<u>4,116,344</u>	<u>4,578,315</u>	<u>4,771,833</u>	<u>4,771,833</u>
FTE	48.7	48.5	58.5	58.6	58.6
General Fund	1,144,889	1,215,101	1,265,978	1,323,620	1,323,620
Cash Funds	219,449	261,839	305,206	318,090	318,090
Reappropriated Funds	703,343	728,069	804,054	837,178	837,178
Federal Funds	1,983,898	1,911,335	2,203,077	2,292,945	2,292,945

JBC Staff Staff Figure Setting - FY 2014-15
Staff Working Document - Does Not Represent Committee Decision

	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2014-15 Request	FY 2014-15 Recommendation
Operating Expenses	<u>280,142</u>	<u>260,889</u>	<u>294,883</u>	<u>290,180</u>	<u>290,180</u>
General Fund	17,360	18,729	24,382	19,679	19,679
Cash Funds	33,286	18,664	36,524	36,524	36,524
Reappropriated Funds	15,823	16,245	16,266	16,266	16,266
Federal Funds	213,673	207,251	217,711	217,711	217,711
Federal Programs and Grants	<u>146,793</u>	<u>90,035</u>	<u>2,307,608</u>	<u>2,309,788</u>	<u>2,567,997</u>
FTE	1.1	1.1	1.5	1.5	1.5
Federal Funds	146,793	90,035	2,307,608	2,309,788	2,567,997
Other Federal Grants	<u>189,849</u>	<u>195,993</u>	<u>258,209</u>	<u>258,209</u>	<u>0</u>
FTE	2.0	1.7	0.0	0.0	0.0
Federal Funds	189,849	195,993	258,209	258,209	0
Indirect Cost Assessment	<u>500,152</u>	<u>419,837</u>	<u>270,861</u>	<u>270,861</u>	<u>270,861</u> P
Cash Funds	3,280	1,985	3,280	3,280	3,280
Federal Funds	496,872	417,852	267,581	267,581	267,581
Supportive Housing and Homeless Program	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FTE	0.0	0.0	0.0	0.0	0.0
Federal Funds	0	0	0	0	0
SUBTOTAL - (A) Community Behavioral Health Administration	5,168,515	5,083,098	7,709,876	7,900,871	7,900,871
FTE	<u>51.8</u>	<u>51.3</u>	<u>60.0</u>	<u>60.1</u>	<u>60.1</u>
General Fund	1,162,249	1,233,830	1,290,360	1,343,299	1,343,299
Cash Funds	256,015	282,488	345,010	357,894	357,894
Reappropriated Funds	719,166	744,314	820,320	853,444	853,444
Federal Funds	3,031,085	2,822,466	5,254,186	5,346,234	5,346,234

JBC Staff Staff Figure Setting - FY 2014-15
Staff Working Document - Does Not Represent Committee Decision

	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2014-15 Request	FY 2014-15 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 to medically indigent individuals (with incomes less than 300 percent of the federal poverty level) who are not eligible for Medicaid. 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>39,177,821</u>	<u>39,473,229</u>	<u>39,381,798</u>	<u>36,618,318</u>	<u>37,064,961</u> *
General Fund	32,774,830	32,774,850	32,986,320	30,222,840	30,669,483
Reappropriated Funds	0	0	161,909	161,909	161,909
Federal Funds	6,402,991	6,698,379	6,233,569	6,233,569	6,233,569
Medications for Indigent Mentally Ill Clients	<u>1,713,993</u>	<u>1,713,993</u>	<u>1,748,273</u>	<u>1,513,542</u>	<u>1,535,909</u> *
General Fund	1,713,993	1,713,993	1,748,273	1,513,542	1,535,909
School-based Mental Health Services	<u>1,143,107</u>	<u>1,146,676</u>	<u>0</u>	<u>1,163,876</u>	<u>1,198,792</u> *
General Fund	1,143,107	1,146,676	0	1,163,876	1,198,792
Assertive Community Treatment Programs	<u>1,290,400</u>	<u>1,290,400</u>	<u>1,316,208</u>	<u>1,335,952</u>	<u>1,355,694</u> *
General Fund	645,200	645,200	658,104	667,976	677,847
Cash Funds	645,200	645,200	658,104	667,976	677,847
Alternatives to Inpatient Hospitalization at a Mental Health Institute	<u>3,138,615</u>	<u>3,138,615</u>	<u>3,201,657</u>	<u>3,249,682</u>	<u>3,297,707</u> *
General Fund	3,138,615	3,138,615	3,201,657	3,249,682	3,297,707
Mental Health Services for Juvenile and Adult Offenders	<u>3,482,992</u>	<u>3,360,423</u>	<u>3,297,476</u>	<u>3,297,476</u>	<u>3,268,850</u>
Cash Funds	3,482,992	3,360,423	3,297,476	3,297,476	3,268,850

JBC Staff Staff Figure Setting - FY 2014-15
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	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2014-15 Request	FY 2014-15 Recommendation
Mental Health Treatment Services for Youth (H.B. 99-1116)	<u>1,018,777</u>	<u>903,334</u>	<u>1,047,149</u>	<u>997,456</u>	<u>1,069,564</u> *
General Fund	517,234	559,106	628,556	577,084	647,413
Cash Funds	384,704	300,000	300,000	300,000	300,000
Reappropriated Funds	116,839	44,228	118,593	120,372	122,151
Mental Health First Aid	<u>0</u>	<u>0</u>	<u>266,730</u>	<u>750,000</u>	<u>750,000</u> *
General Fund	0	0	266,730	750,000	750,000
SUBTOTAL - (B) Mental Health Community Programs	50,965,705	51,026,670	50,259,291	48,926,302	49,541,477
<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	39,932,979	39,978,440	39,489,640	38,145,000	38,777,151
Cash Funds	4,512,896	4,305,623	4,255,580	4,265,452	4,246,697
Reappropriated Funds	116,839	44,228	280,502	282,281	284,060
Federal Funds	6,402,991	6,698,379	6,233,569	6,233,569	6,233,569

JBC Staff Staff Figure Setting - FY 2014-15
Staff Working Document - Does Not Represent Committee Decision

	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2014-15 Request	FY 2014-15 Recommendation
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(C) Substance Use Treatment and Prevention

This section provides funding to support community-based substance use disorder services for low income individuals who are not eligible for Medicaid. 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), and transfers from the Judicial Branch (which originate as General Fund and drug offender surcharge revenues).

(I) Treatment Services

Treatment and Detoxification Contracts	<u>22,800,002</u>	<u>22,760,820</u>	<u>23,406,572</u>	<u>23,580,038</u>	<u>23,930,892</u> *
General Fund	11,326,670	11,337,648	11,564,401	11,737,867	11,911,333
Cash Funds	1,125,385	331,144	331,218	331,218	331,218
Reappropriated Funds	0	760,238	1,163,006	1,163,006	1,340,394
Federal Funds	10,347,947	10,331,790	10,347,947	10,347,947	10,347,947
 Case Management for Chronic Detoxification					
Clients	<u>369,311</u>	<u>369,311</u>	<u>369,359</u>	<u>369,396</u>	<u>369,433</u> *
General Fund	2,428	2,428	2,476	2,513	2,550
Federal Funds	366,883	366,883	366,883	366,883	366,883
 Short-term Intensive Residential Remediation and					
Treatment (STIRRT)	<u>3,240,091</u>	<u>3,340,683</u>	<u>3,407,498</u>	<u>3,452,774</u>	<u>3,536,931</u> *
General Fund	2,957,367	2,957,367	3,018,432	3,063,708	3,108,985
Cash Funds	282,724	0	0	0	0
Reappropriated Funds	0	383,316	389,066	389,066	427,946
 High Risk Pregnant Women Program					
Reappropriated Funds	<u>1,126,309</u>	<u>1,052,271</u>	<u>1,429,133</u>	<u>1,450,570</u>	<u>1,472,007</u> *
	1,126,309	1,052,271	1,429,133	1,450,570	1,472,007

JBC Staff Staff Figure Setting - FY 2014-15
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	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2014-15 Request	FY 2014-15 Recommendation
SUBTOTAL - (I) Treatment Services	27,535,713	27,523,085	28,612,562	28,852,778	29,309,263
<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	14,286,465	14,297,443	14,585,309	14,804,088	15,022,868
Cash Funds	1,408,109	331,144	331,218	331,218	331,218
Reappropriated Funds	1,126,309	2,195,825	2,981,205	3,002,642	3,240,347
Federal Funds	10,714,830	10,698,673	10,714,830	10,714,830	10,714,830
(II) Prevention and Intervention					
Prevention Contracts	<u>3,829,412</u>	<u>3,874,879</u>	<u>3,886,951</u>	<u>3,887,456</u>	<u>3,972,960</u> *
General Fund	33,649	33,649	33,649	34,154	34,658
Cash Funds	15,000	15,000	27,072	27,072	112,072
Federal Funds	3,780,763	3,826,230	3,826,230	3,826,230	3,826,230
Persistent Drunk Driver Programs	<u>1,439,436</u>	<u>1,666,771</u>	<u>1,670,823</u>	<u>1,670,823</u>	<u>2,035,823</u>
Cash Funds	1,439,436	1,666,771	1,670,823	1,670,823	2,035,823
Law Enforcement Assistance Fund Contracts	<u>135,633</u>	<u>100,000</u>	<u>255,000</u>	<u>255,000</u>	<u>255,000</u>
Cash Funds	135,633	100,000	255,000	255,000	255,000
SUBTOTAL - (II) Prevention and Intervention	5,404,481	5,641,650	5,812,774	5,813,279	6,263,783
<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	33,649	34,154	34,658
Cash Funds	1,590,069	1,781,771	1,952,895	1,952,895	2,402,895
Federal Funds	3,780,763	3,826,230	3,826,230	3,826,230	3,826,230
(III) Other Programs					
Federal Grants	<u>3,403,072</u>	<u>5,184,573</u> 1.1	<u>2,625,422</u>	<u>2,625,422</u>	<u>2,625,422</u>
Reappropriated Funds	0	0	0	0	0
Federal Funds	3,403,072	5,184,573	2,625,422	2,625,422	2,625,422

JBC Staff Staff Figure Setting - FY 2014-15
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	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2014-15 Request	FY 2014-15 Recommendation
Balance of Substance Abuse Block Grant Programs	<u>8,774,622</u>	<u>9,192,718</u>	<u>6,675,080</u>	<u>6,677,925</u>	<u>6,680,771</u> *
General Fund	185,967	185,926	189,688	192,533	195,379
Federal Funds	8,588,655	9,006,792	6,485,392	6,485,392	6,485,392
Community Prevention and Treatment	<u>813,771</u>	<u>798,282</u>	<u>782,400</u>	<u>782,400</u>	<u>817,217</u>
Cash Funds	813,771	798,282	782,400	782,400	817,217
Rural Substance Abuse Prevention and Treatment	<u>88,436</u>	<u>88,443</u>	<u>88,443</u>	<u>88,443</u>	<u>151,243</u>
Cash Funds	88,436	88,443	88,443	88,443	151,243
Gambling Addiction Counseling Services	<u>68,417</u>	<u>57,021</u>	<u>70,000</u>	<u>70,000</u>	<u>70,000</u>
Reappropriated Funds	68,417	57,021	70,000	70,000	70,000
SUBTOTAL - (III) Other Programs	13,148,318	15,321,037	10,241,345	10,244,190	10,344,653
<i>FTE</i>	<u>0.0</u>	<u>1.1</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	185,967	185,926	189,688	192,533	195,379
Cash Funds	902,207	886,725	870,843	870,843	968,460
Reappropriated Funds	68,417	57,021	70,000	70,000	70,000
Federal Funds	11,991,727	14,191,365	9,110,814	9,110,814	9,110,814
SUBTOTAL - (C) Substance Use Treatment and Prevention	46,088,512	48,485,772	44,666,681	44,910,247	45,917,699
<i>FTE</i>	<u>0.0</u>	<u>1.1</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	14,506,081	14,517,018	14,808,646	15,030,775	15,252,905
Cash Funds	3,900,385	2,999,640	3,154,956	3,154,956	3,702,573
Reappropriated Funds	1,194,726	2,252,846	3,051,205	3,072,642	3,310,347
Federal Funds	26,487,320	28,716,268	23,651,874	23,651,874	23,651,874

JBC Staff Staff Figure Setting - FY 2014-15
Staff Working Document - Does Not Represent Committee Decision

	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2014-15 Request	FY 2014-15 Recommendation
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(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 and transfers from the Judicial Branch (originating as General Fund and drug offender surcharge revenues).

Crisis Response System - Walk-in, Stabilization, Mobile, Residential, and Respite Services	<u>0</u>	<u>0</u>	<u>8,498,133</u>	<u>22,957,558</u>	<u>22,678,833</u> *
General Fund	0	0	8,498,133	22,957,558	22,678,833
Crisis Response System - Telephone Hotline	<u>0</u>	<u>0</u>	<u>1,089,006</u>	<u>2,332,881</u>	<u>2,367,357</u> *
General Fund	0	0	1,089,006	2,332,881	2,367,357
Crisis Response System - Marketing	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>618,000</u>
General Fund	0	0	0	0	618,000
Community Transition Services	<u>0</u>	<u>0</u>	<u>2,966,239</u>	<u>9,021,677</u>	<u>9,155,003</u> *
General Fund	0	0	2,966,239 S	9,021,677	9,155,003
Jail-based Behavioral Health Services	<u>1,118,134</u>	<u>1,819,900</u>	<u>3,013,790</u>	<u>3,013,790</u>	<u>3,578,522</u>
Reappropriated Funds	1,118,134	1,819,900	3,013,790	3,013,790	3,578,522
Rural Co-occurring Disorder Services	<u>0</u>	<u>0</u>	<u>349,200</u>	<u>507,500</u>	<u>515,000</u> *
General Fund	0	0	349,200 S	507,500	515,000
Behavioral Health Services for Juveniles and Adults at Risk or Involved in the Criminal Justice System (H.B. 10-1284)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	0	0	0	0	0

JBC Staff Staff Figure Setting - FY 2014-15
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	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2014-15 Request	FY 2014-15 Recommendation
SUBTOTAL - (D) Integrated Behavioral Health					
Services	1,118,134	1,819,900	15,916,368	37,833,406	38,912,715
<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	0	12,902,578	34,819,616	35,334,193
Reappropriated Funds	1,118,134	1,819,900	3,013,790	3,013,790	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. 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. The Colorado Mental Health Institute at Fort Logan (CMHIFL), located in southwest Denver, operates 94 civil beds for adults. This section is primarily supported by General Fund, federal Medicare and patient revenues (including 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>0</u>	<u>18,927,495</u>	<u>18,319,470</u>	<u>18,004,555</u>	<u>18,006,352</u> *
FTE	0.0	224.4	216.4	217.5	217.5
General Fund	0	16,140,698	16,337,840	16,022,925	16,024,722
Cash Funds	0	2,734,268	1,949,875	1,949,875	1,949,875
Reappropriated Funds	0	52,529	31,755	31,755	31,755
Contract Medical Services	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,269,465</u>	<u>1,269,465</u> *
General Fund	0	0	0	1,269,465	1,269,465

JBC Staff Staff Figure Setting - FY 2014-15
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	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2014-15 Request	FY 2014-15 Recommendation
Operating Expenses	<u>0</u>	<u>1,041,385</u>	<u>1,080,718</u>	<u>1,067,055</u>	<u>1,067,055</u> * P
General Fund	0	882,102	921,435	907,646	907,646
Cash Funds	0	123,601	123,601	123,727	123,727
Reappropriated Funds	0	35,682	35,682	35,682	35,682
Pharmaceuticals	<u>0</u>	<u>805,441</u>	<u>1,270,526</u>	<u>1,353,110</u>	<u>1,353,110</u> *
General Fund	0	667,543	1,132,627	1,215,211	1,215,211
Cash Funds	0	107,007	107,007	107,007	107,007
Reappropriated Funds	0	30,891	30,892	30,892	30,892
Mental Health Institute - Ft. Logan	<u>19,254,908</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FTE	223.0	0.0	0.0	0.0	0.0
General Fund	16,237,767	0	0	0	0
Cash Funds	2,740,522	0	0	0	0
Reappropriated Funds	276,619	0	0	0	0
SUBTOTAL - (1) Mental Health Institute - Ft. Logan					
Logan	19,254,908	20,774,321	20,670,714	21,694,185	21,695,982
FTE	<u>223.0</u>	<u>224.4</u>	<u>216.4</u>	<u>217.5</u>	<u>217.5</u>
General Fund	16,237,767	17,690,343	18,391,902	19,415,247	19,417,044
Cash Funds	2,740,522	2,964,876	2,180,483	2,180,609	2,180,609
Reappropriated Funds	276,619	119,102	98,329	98,329	98,329
(2) Mental Health Institute - Pueblo					
Personal Services	<u>0</u>	<u>65,591,227</u>	<u>65,979,090</u>	<u>65,739,367</u>	<u>65,742,962</u> *
FTE	0.0	954.7	955.7 S	959.9	959.9
General Fund	0	53,694,988	54,878,957	54,620,204	54,637,967
Cash Funds	0	6,745,490	4,640,594	4,640,594	4,640,594
Reappropriated Funds	0	5,150,749	6,459,539 S	6,478,569	6,464,401

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	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2014-15 Request	FY 2014-15 Recommendation
Contract Medical Services	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,589,425</u>	<u>3,589,425</u> *
General Fund	0	0	0	3,589,425	3,589,425
Operating Expenses	<u>0</u>	<u>4,858,475</u>	<u>4,907,943</u>	<u>5,301,861</u>	<u>5,293,919</u> * P
General Fund	0	2,647,509	4,012,426	3,963,118	3,963,118
Cash Funds	0	403,362	403,362	403,435	403,435
Reappropriated Funds	0	1,807,604	492,155 S	935,308	927,366
Pharmaceuticals	<u>0</u>	<u>2,930,675</u>	<u>2,986,026</u>	<u>3,180,321</u>	<u>3,180,321</u> *
General Fund	0	2,321,479	2,342,337	2,536,632	2,536,632
Cash Funds	0	297,405	297,405	297,405	297,405
Reappropriated Funds	0	311,791	346,284	346,284	346,284
Educational Programs	<u>480,537</u>	<u>433,739</u>	<u>138,640</u>	<u>138,640</u>	<u>138,640</u> *
FTE	2.7	2.2	2.7	2.7	2.7
General Fund	44,024	38,214	20,387	34,555	6,431
Reappropriated Funds	104,947	99,066	118,253	104,085	132,209
Federal Funds	331,566	296,459	0	0	0
Jail-based Competency Restoration Program	<u>0</u>	<u>0</u>	<u>2,054,819</u>	<u>2,481,883</u>	<u>2,517,357</u> *
FTE	0.0	0.0	0.9	1.0	1.0
General Fund	0	0	2,054,819	2,481,883	2,517,357
Mental Health Institute - Pueblo	<u>71,020,056</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FTE	951.1	0.0	0.0	0.0	0.0
General Fund	55,830,058	0	0	0	0
Cash Funds	7,855,072	0	0	0	0
Reappropriated Funds	7,334,926	0	0	0	0

JBC Staff Staff Figure Setting - FY 2014-15
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	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2014-15 Request	FY 2014-15 Recommendation
SUBTOTAL - (2) Mental Health Institute - Pueblo	71,500,593	73,814,116	76,066,518	80,431,497	80,462,624
<i>FTE</i>	<u>953.8</u>	<u>956.9</u>	<u>959.3</u>	<u>963.6</u>	<u>963.6</u>
General Fund	55,874,082	58,702,190	63,308,926	67,225,817	67,250,930
Cash Funds	7,855,072	7,446,257	5,341,361	5,341,434	5,341,434
Reappropriated Funds	7,439,873	7,369,210	7,416,231	7,864,246	7,870,260
Federal Funds	331,566	296,459	0	0	0
SUBTOTAL - (E) Mental Health Institutes	90,755,501	94,588,437	96,737,232	102,125,682	102,158,606
<i>FTE</i>	<u>1,176.8</u>	<u>1,181.3</u>	<u>1,175.7</u>	<u>1,181.1</u>	<u>1,181.1</u>
General Fund	72,111,849	76,392,533	81,700,828	86,641,064	86,667,974
Cash Funds	10,595,594	10,411,133	7,521,844	7,522,043	7,522,043
Reappropriated Funds	7,716,492	7,488,312	7,514,560	7,962,575	7,968,589
Federal Funds	331,566	296,459	0	0	0
TOTAL - (8) Behavioral Health Services	194,096,367	201,003,877	215,289,448	241,696,508	244,431,368
<i>FTE</i>	<u>1,228.6</u>	<u>1,233.7</u>	<u>1,235.7</u>	<u>1,241.2</u>	<u>1,241.2</u>
General Fund	127,713,158	132,121,821	150,192,052	175,979,754	177,375,522
Cash Funds	19,264,890	17,998,884	15,277,390	15,300,345	15,829,207
Reappropriated Funds	10,865,357	12,349,600	14,680,377	15,184,732	15,994,962
Federal Funds	36,252,962	38,533,572	35,139,629	35,231,677	35,231,677

NOTE: An asterisk (*) indicates that the amount requested for FY 2014-15 is affected by one or more decision items or budget amendments. A "P" indicates that the recommendation for FY 2014-15 includes pending items on which the Committee has not yet acted. An "S" indicates that the FY 2013-14 appropriation includes mid-year adjustments that are recommended by staff in this packet.