

MEMORANDUM

TO: Joint Budget Committee

FROM: Carolyn Kampman, JBC Staff

SUBJECT: Staff Comebacks (3) Concerning Substance Use Disorder Services for Pregnant Women (DHS and HCPF)

DATE: March 13, 2015

Department Requests

The "High Risk Pregnant Women Program" line item in the Department of Human Services (DHS) budget supports the "Special Connections" program for pregnant and postpartum women who are eligible for Medicaid and who have severe alcohol or drug abuse problems. The program helps women have healthier pregnancies and healthier babies by providing case management, individual and group counseling, health education, and residential treatment during pregnancy and up to one year after delivery. These services are in addition to the prenatal care that a woman receives from her doctor or nurse-midwife. This line item is supported by reappropriated funds from the Department of Health Care Policy and Financing (HCPF).

The DHS request for this line item for FY 2015-16 included an increase of \$14,649 for a 1.0 percent provider rate increase.

In addition, through a letter dated February 13, 2015 letter, HCPF proposed funding increases for this line item to implement the following targeted rate increases:

- \$23,835 for an increase in the outpatient group rate from \$15.32 to \$29.30 (91.25 percent); and
- \$227,604 for an increase in the per diem rate from \$156.31 to \$187.57 (20.00 percent).

JBC Action To Date

The JBC approved: (1) a staff recommendation to apply the common policy provider rate increase of 2.7 percent (an increase of \$39,551); and (2) HCPF's proposed targeted rate increases. These two actions result in an appropriation totaling \$1,755,851 (including \$864,054 General Fund and \$891,797 federal funds).

Revised JBC Staff Recommendation

(1) As indicated in the following table, actual expenditures for this program fall short of the annual appropriation. Staff requested that DHS and HCPF work together to determine whether an appropriation of \$1,755,851 is likely to be fully expended in FY 2015-16 if the rate increases approved to date by the Committee are implemented. DHS projects that the approved rate increases will increase the number of women served by five to ten percent, and if the number served increases by ten percent, expenditures will total \$1,514,821. **Staff recommends appropriating \$1,600,000** (including \$787,360 General Fund and \$812,640 federal funds) **for FY 2015-16 in order to allow a funding cushion in the event that additional women can be served.**

Special Connections Program						
Description	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16		
				JBC Action	DHS Projections With Approved Rate Increases	JBC Staff REVISED Recommend.
Appropriation	\$1,999,146	\$1,429,133	\$1,464,861	\$1,755,851	\$1,514,821	\$1,600,000
Actual Expenditures	1,052,271	1,138,015				
Expenditures Over/ (Under) Appropriation	(946,875)	(291,118)				
Number of Women Served						
Outpatient		170	169	186	186	
Residential		95	99	109	109	
Total		265	268	295	295	311
Average cost per woman served		\$4,294	\$5,466	\$5,956	\$5,138	\$5,138

(2) Staff also recommends including the following footnote in the FY 2015-16 Long Bill to state the General Assembly's intentions concerning provider rates for this program:

Department of Health Care Policy and Financing, Department of Human Services Medicaid-funded Programs, Behavioral Health Services - Medicaid Funding, High Risk Pregnant Women Program -- This appropriation is intended to include sufficient funding for the Department of Health Care Policy and Financing to implement the following provider rate increases for this program: (a) a \$13.98 (91.3 percent) increase in the outpatient group rate; (b) a \$31.26 (20.0 percent) increase in the per diem rate; plus (c) an overall rate increase of 2.7 percent.

(3) Finally, during the figure setting discussion of the allocation of marijuana tax revenues for behavioral health programs administered by the Department of Human Services, the Committee asked staff to prepare a request for information concerning substance use disorder treatment and prevention services for adolescents and pregnant women. The following RFI has been reviewed by both DHS and HCPF and is pending JBC approval:

Department of Health Care Policy and Financing, Behavioral Health Community Programs; and Department of Human Services, Behavioral Health Services -- The Department of Human Services is requested to work with the Department of Health Care Policy and Financing and any other relevant state agencies to provide a report to the Joint Budget Committee by November 1, 2015, concerning substance use disorder (SUD) treatment and prevention services for adolescents and pregnant women. The report is requested to include the following information: (a) a brief description of each state program that provides SUD prevention or treatment services for adolescents or pregnant women; (b) actual expenditures for SUD prevention or treatment services for adolescents and pregnant women in FY 2014-15, by program and fund source; and (c) information indicating whether there is a need for additional state funding to meet the SUD prevention and treatment needs of adolescents or pregnant women.