



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2015 Biennium

Bill #	HB0319	Title:	Improve transition planning and services for youth with mental health needs
Primary Sponsor:	Pease-Lopez, Carolyn	Status:	As Introduced

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|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input checked="" type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2014</u> <u>Difference</u>	<u>FY 2015</u> <u>Difference</u>	<u>FY 2016</u> <u>Difference</u>	<u>FY 2017</u> <u>Difference</u>
Expenditures:				
General Fund	\$392,743	\$634,994	\$465,643	\$472,627
Federal Special Revenue	\$776,991	\$1,244,800	\$911,997	\$925,677
Revenue:				
General Fund	\$0	\$0	\$0	\$0
Federal Special Revenue	\$776,991	\$1,244,800	\$911,997	\$925,677
Net Impact-General Fund Balance:	<u>(\$392,743)</u>	<u>(\$634,994)</u>	<u>(\$465,643)</u>	<u>(\$472,627)</u>

Description of fiscal impact: HB 319 establishes transition requirements for youth, who will become ineligible for children's mental health services at age 18 and requires additional assessments and increased case management.

FISCAL ANALYSIS

Assumptions:

Department of Corrections

1. The Department of Corrections assumes no fiscal impact as only children who are Medicaid eligible with a diagnosis of Seriously Emotionally Disturbed (SED) are eligible under this bill, and therefore would be considered by the Department of Public Health and Human Services.

Department of Public Health and Human Services

2. Section 7 references the Montana Medicaid program; therefore, it is assumed that only children in the Medicaid program are considered for this bill.
3. In order for adult mental health providers to be eligible to complete the evaluation for children under the age of 18, criteria for qualified providers of children's mental health services would need to be changed to allow adult mental health providers to bill for the services provided under this bill.

4. New Section 2, subsection (5)(a) requires the department to set reimbursement amounts. The department would use already established rates.
5. All children receiving children's mental health services between ages 16 ½ to 17 ½ would meet the updated definition of "children with multiagency service needs" in Section 5.
6. Any children who, with their guardian, chose not to participate in an evaluation will be determined to be ineligible for adult mental health services prior to age 18.
7. Severe Disabling Mental Illness (SDMI) diagnosis, which is used to determine eligibility for most Medicaid adult mental health services, is not allowable for individuals under the age of 18. Similar criteria would need to be established to determine probable eligibility for Medicaid adult mental health for the children receiving the evaluation.
8. The number of children eligible to receive an evaluation is estimated to be 1,250 in FY 2014, 1,015 in FY 2015, 1,030 in FY 2016, and 1,046 in FY 2017.
9. The total cost of the evaluations to determine eligibility for adult mental health services would be \$122,500 in FY 2014, \$99,470 in FY 2015, \$ 100,962 in FY 2016, and \$102,476 in FY 2017. See Table 1 (Evaluation cost times number of children per year).
10. The number of children determined to be eligible for adult mental health services (approximately 23% of children receiving mental health services) is estimated to be 288 for FY 2014, 233 for FY 2015, 237 for FY 2016, and 241 for FY 2017.
11. Children determined eligible for adult mental health services would receive an average of 6 hours of adult case management per month for an average of 10 months prior to turning 18 years old in order to establish and implement the transition plan as outlined in the bill. See Table 1
12. The proposal is effective October 1, 2013.
13. It is estimated that during the first fiscal year of implementation, 288 children would receive 6 of the 10 months of additional services during FY 2014 and 4 months of services in FY 2015, as the services would prorate between two fiscal years.
14. The total cost of adult case management for children determined eligible for adult mental health services would be \$696,762 for FY 2014, \$1,407,459, for FY 2015, \$957,096 for FY 2016, and \$971,452 for FY 2017. See Table 1 (FY 2014 = number of children x 6 hours per month x 4 units per hour x 6 months x \$16.83 per unit. This formula would continue across fiscal years.)
15. Children determined eligible for adult mental health services would receive an average of 1 hour per month of additional youth case management for an average of 10 months in conjunction with the adult case management to establish and implement the transition plan.
16. It is estimated that during the first fiscal year of implementation, 288 children would receive 6 of the 10 months of additional services in FY 2014 and 4 months of service in FY 2015, as the services would prorate between two fiscal years.
17. The total cost of additional youth case management for children determined eligible for adult mental health services would be \$87,009 for FY 2014, \$175,758 for FY 2015, \$119,518 for FY 2016, and \$121,311 for FY 2017. See Table 1 (FY 2014 = number of children x 1 hour x 4 units per hour x 6 months x \$12.61 per unit. This formula would continue across fiscal years).
18. There would be an estimated 963 children assessed by an adult mental health provider and determined ineligible for adult mental health services for FY 2014, 782 for FY 2015, 793 for FY 2016, and 805 for FY 2017.
19. Children determined ineligible for adult mental health services would receive an average of 5 additional hours of youth case management in order to establish and implement a transition plan
20. The total cost of youth case management for children who are ineligible for adult mental health services to establish and implement a transition plan out of mental health services would be \$242,743 for FY 2014, \$197,107 for FY 2015, \$200,064 for FY 2016, and \$203,064 for FY 2017. See Table 1 (FY 2014 = number of children x 5 hours x 4 units per hour x \$12.61 per unit. This formula would continue across fiscal years).

21. The total cost of evaluations and case management will be \$1,149,014 for FY 2014, \$1,879,794 for FY 2015, \$1,377,640 for FY 2016, and \$1,398,304 for FY 2017. See Table 1
22. The cost of evaluations and case management will be funded at Federal Medical Assistance Percentages (FMAP) with \$387,562 general fund and \$761,451 federal funds for FY 2014, \$634,955 general fund and \$1,244,800 federal funds for FY 2015, \$465,643 general fund and \$911,997 federal funds for FY 2016, and \$472,627 general fund and \$925,677 federal funds for FY 2017.
23. The department does not have a data system that maintains information about the transition planning required. The department would modify an existing system to track the date collection requirements with a total cost of \$20,720, funded with \$5,180 general fund and \$15,540 federal funds in FY 2014.
24. Total cost to the general fund will be \$392,743 in FY 2014, \$634,994 in FY 2015, \$465,643 in FY 2016 and \$472,627 in FY 2017. Total cost to federal funds will be \$776,991 in FY 2014, \$1,244,800 in FY 2015, \$911,997 in FY 2016, and \$925,677 in FY 2017.

TABLE 1

HB319 Summary by State Fiscal Year

SFY 2014 (1st Year) - Partial Year beginning October 1, 2013							Total Annual Expenditures	State/Fed Match	State & Federal	
Description	Estimated Clients	Hours Per Month	15 minute Units per hour	Average Months	Cost Per Service	State Exp.			Federal Exp.	
Evaluation - Adult MH Service Age 16.5-18	1,250	1	NA	NA	\$98.00	\$122,500	33.73%/ 66.27%	\$41,319	\$81,181	
Plan for Youth Not Eligible for Adult Services Youth Case Mgmt. 963		5	4	(5 hours total)	\$12.61	\$242,743	33.73%/ 66.27%	\$81,877	\$160,865	
Plan for Youth Eligible for Adult Services Youth Case Mgmt.	288	1	4	6	\$12.61	\$87,009	33.73%/ 66.27%	\$29,348	\$57,661	
Plan for Youth Eligible for Adult Services Adult Case Mgmt.	288	6	4	6	\$16.83	\$696,762	33.73%/ 66.27%	\$235,018	\$461,744	
Registration System Costs (one time only)						\$20,720	25% / 75%	\$5,180	\$15,540	
Total Expenditures						\$1,169,734	blend	\$392,742	\$776,991	

SFY 2015 (2nd Year)							Total Annual Expenditures	State/Fed Match	State & Federal	
Description	Estimated Clients	Hours Per Month	15 minute Units per hour	Average Months	Cost Per Service	State Exp.			Federal Exp.	
Evaluation - Adult MH Service Age 16.5-18.5	1,015	1	NA	NA	\$98.00	\$99,470	33.78%/ 66.22%	\$33,601	\$65,869	
Plan for Youth Not Eligible for Adult Services Youth Case Mgmt. 782		5	4	(5 hours total)	\$12.61	\$197,107	33.88%/ 66.22%	\$66,583	\$130,524	
Plan for Youth Eligible for Adult Services Youth Case Mgmt.	233	1	4	10	\$12.61	\$117,752	33.88%/ 66.22%	\$39,777	\$77,975	
Plan for Youth Eligible for Adult Services Adult Case Mgmt.	233	6	4	10	\$16.83	\$942,951	33.88%/ 66.22%	\$318,529	\$624,422	
<i>Carryover Population from SFY2014</i>										
Plan for Youth Eligible for Adult Services Youth Case Mgmt.	288	1	4	4	\$12.61	\$58,006	33.88%/ 66.22%	\$19,594	\$38,412	
Plan for Youth Eligible for Adult Services Adult Case Mgmt.	288	6	4	4	\$16.83	\$464,508	33.88%/ 66.22%	\$156,911	\$307,597	
Total Expenditures						\$1,879,794	33.88%/ 66.22%	\$634,995	\$1,244,800	

SFY 2016 (3rd Year)							Total Annual Expenditures	State/Fed Match	State & Federal	
Description	Estimated Clients	Hours Per Month	15 minute Units per hour	Average Months	Cost Per Service	State Exp.			Federal Exp.	
Evaluation - Adult MH Service Age 16.5-18.5	1,030	1	NA	NA	\$98.00	\$100,962	33.80%/ 66.20%	\$34,125	\$66,837	
Plan for Youth Not Eligible for Adult Services Youth Case Mgmt. 793		5	4	(5 hours total)	\$12.61	\$200,064	33.80%/ 66.20%	\$67,621	\$132,442	
Plan for Youth Eligible for Adult Services Youth Case Mgmt.	237	1	4	10	\$12.61	\$119,518	33.80%/ 66.20%	\$40,397	\$79,121	
Plan for Youth Eligible for Adult Services Adult Case Mgmt.	237	6	4	10	\$16.83	\$957,096	33.80%/ 66.20%	\$323,498	\$633,597	
Total Expenditures						\$1,377,640	33.80%/ 66.20%	\$465,642	\$911,997	

SFY 2017 (4th Year)							Total Annual Expenditures	State/Fed Match	State & Federal	
Description	Estimated Clients	Hours Per Month	15 minute Units per hour	Average Months	Cost Per Service	State Exp.			Federal Exp.	
Evaluation - Adult MH Service Age 16.5-18.5	1,046	1	NA	NA	\$98.00	\$102,476	33.80%/ 66.20%	\$34,637	\$67,839	
Plan for Youth Not Eligible for Adult Services Youth Case Mgmt. 805		5	4	(5 hours total)	\$12.61	\$203,064	33.80%/ 66.20%	\$68,636	\$134,428	
Plan for Youth Eligible for Adult Services Youth Case Mgmt.	241	1	4	10	\$12.61	\$121,311	33.80%/ 66.20%	\$41,003	\$80,308	
Plan for Youth Eligible for Adult Services Adult Case Mgmt.	241	6	4	10	\$16.83	\$971,452	33.80%/ 66.20%	\$328,351	\$643,101	
Total Expenditures						\$1,398,303	33.80%/ 66.20%	\$472,627	\$925,676	

	<u>FY 2014 Difference</u>	<u>FY 2015 Difference</u>	<u>FY 2016 Difference</u>	<u>FY 2017 Difference</u>
<u>Fiscal Impact:</u>				
<u>Expenditures:</u>				
Operating Expenses	\$20,720	\$0	\$0	\$0
Benefits	\$1,149,014	\$1,879,794	\$1,377,640	\$1,398,304
TOTAL Expenditures	<u>\$1,169,734</u>	<u>\$1,879,794</u>	<u>\$1,377,640</u>	<u>\$1,398,304</u>
<u>Funding of Expenditures:</u>				
General Fund (01)	\$392,743	\$634,994	\$465,643	\$472,627
Federal Special Revenue (03)	\$776,991	\$1,244,800	\$911,997	\$925,677
TOTAL Funding of Exp.	<u>\$1,169,734</u>	<u>\$1,879,794</u>	<u>\$1,377,640</u>	<u>\$1,398,304</u>
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
Federal Special Revenue (03)	\$776,991	\$1,244,800	\$911,997	\$925,677
TOTAL Revenues	<u>\$776,991</u>	<u>\$1,244,800</u>	<u>\$911,997</u>	<u>\$925,677</u>
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	(\$392,743)	(\$634,994)	(\$465,643)	(\$472,627)
Federal Special Revenue (03)	\$0	\$0	\$0	\$0

Technical Notes:

1. The bill requires evaluations for all Seriously Emotionally Disturbed (SED) children. However, children can't be required to receive a service without the consent of their guardian.
2. Concurrent adult and youth case management are not allowable. The Centers for Medicare and Medicaid Services (CMS) would have to allow concurrent billing for adult and youth case management.

Sponsor's Initials

Date

Budget Director's Initials

Date