



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2017 Biennium

Bill #	HB0024	Title:	Appropriate money for state-run mental health group home
Primary Sponsor:	Schreiner, Casey	Status:	As Amended

- | | | |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input 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 |

	<u>FY 2016 Difference</u>	<u>FY 2017 Difference</u>	<u>FY 2018 Difference</u>	<u>FY 2019 Difference</u>
Expenditures:				
General Fund	\$1,715,964	\$1,485,969	\$1,492,889	\$1,499,913
Federal Special Revenue	\$238,761	\$237,555	\$237,555	\$237,555
Revenue:				
General Fund	\$238,801	\$237,801	\$237,801	\$237,801
Federal Special Revenue	\$238,761	\$237,555	\$237,555	\$237,555
Net Impact-General Fund Balance:	<u>(\$1,477,163)</u>	<u>(\$1,248,168)</u>	<u>(\$1,255,088)</u>	<u>(\$1,262,112)</u>

Description of fiscal impact: HB 24 provides the Department of Public Health and Human Services the ability to establish and operate transitional mental health group homes for certain individuals committed to the custody of the director of the department through the release of the board of pardons and parole; or if the director of the department determines as allowed by law that the transitional mental health group home is the appropriate placement for the individual.

FISCAL ANALYSIS

Assumptions:

Addictive and Mental Disorders Division (AMDD)

1. The costs are based on one 16 bed leased facility.
2. It is assumed that all group home residents would come directly from the Montana State Hospital.
3. Staffing for the facility would consist of the following FTE:

FTE	Title	Total Annual Salary & Benefits
1.50	Social Workers	\$66,653
2.00	Registered Nurses	\$137,380
21.00	Psychiatric Techs	\$666,452
1.00	Program Manager	\$69,888
	Total Personal Services	<u>\$940,373</u>

4. Operating costs for the facility would be \$621,251 in FY 2016. This would include one-time only costs to furnish a leased facility of \$168,000 in FY 2016. Operating costs would be \$460,050 in FY 2017. Included in these operating costs is \$180,000 for an annual lease. These costs assume a 1.5% inflationary increase to \$466,951 in FY 2018 and \$473,955 in FY 2019.
 5. Eight of the group home residents are assumed to meet SSI/SSDI eligibility. If eligibility criteria are met, they would be eligible for the basic Medicaid waiver.
 6. The cost to serve these individuals on the basic Medicaid waiver would be \$7,800 each or \$62,400 annually. This cost would be funded based on a federal FMAP rate. The federal cost in FY 2016 would be \$40,760 and \$40,554 in FY 2017, FY 2018 and FY 2019. The state portion would be \$21,640 in FY 2016 and \$21,846 in FY 2017, FY 2018 and FY 2019.
 7. Those meeting SSI/SSDI eligibility will qualify for Medicaid reimbursement at a rate of \$103.81 per day x 8 = 303,125 per year. The federal portion in FY 2016 based on an FMAP rate of 65.32% would total \$198,001. In FY 2017, an FMAP rate of 64.99% would apply and the federal portion would be \$197,001 and continuing into FY 2018 and FY 2019. It is assumed these payments will be deposited into general fund revenue. Consistent with current budgeting and accounting methods for Medicaid payments to state facilities, the general fund match of \$105,124 in FY 2016, \$106,124 in FY 2017, FY 2018 and FY 2019 would be certified as met within the group home budget and as such, is not included in the general fund impact.
 8. The remaining eight residents would be eligible for state funded mental health programs costing \$62,400 per year in general fund (7,800 x 8).
 9. Federal Medicaid reimbursements would total \$238,761 in FY 2016, \$237,555 in FY 2017, \$237,555 in FY 2018, \$237,555 in FY 2019.
 10. For the eight individuals, who are SSI/SSDI eligible, reimbursement would be \$425 per month per resident or \$40,800 per year (\$425 x 12 x 8). It is assumed that these funds would be deposited into the general fund.
- Technology Services Division (TSD)
11. Network and telephone wiring and cabling for access to the state network and internet connectivity is estimated to cost \$39,000. This would be a one-time only cost.
 12. Ongoing network connectivity is estimated to be \$1,300 per year. This is based on a facility with four network connected devices and monthly wide area network (WAN) circuit and assumes 1.5% inflation \$1,320 FY 2018 and \$1,339 FY 2019.
 13. One-time changes would be required to the Management Information and Cost Recovery System for reimbursement for medical billing and account management. It is assumed that the division would hire an outside contractor to complete these changes. The change is estimated at 240 programming hours at a rate of \$125 per hour for a one-time only cost of \$30,000.
- Business and Financial Services Division (BFSD)
14. BFSD processes facility reimbursement to recover the cost of care from third party payers', including insurance companies, Medicare and Medicaid. It is estimated that the cost to process recovery for one facility could be absorbed within the existing staff level of this unit.

	<u>FY 2016 Difference</u>	<u>FY 2017 Difference</u>	<u>FY 2018 Difference</u>	<u>FY 2019 Difference</u>
<u>Fiscal Impact:</u>				
FTE	25.50	25.50	25.50	25.50
<u>Expenditures:</u>				
Personal Services	\$940,373	\$940,373	\$940,373	\$940,373
Operating Expenses	\$691,551	\$461,350	\$468,270	\$475,294
Benefits/Claims	\$322,801	\$321,801	\$321,801	\$321,801
TOTAL Expenditures	\$1,954,725	\$1,723,524	\$1,730,444	\$1,737,468
<u>Funding of Expenditures:</u>				
General Fund (01)	\$1,715,964	\$1,485,969	\$1,492,889	\$1,499,913
Federal Special Revenue (03)	\$238,761	\$237,555	\$237,555	\$237,555
TOTAL Funding of Exp.	\$1,954,725	\$1,723,524	\$1,730,444	\$1,737,468
<u>Revenues:</u>				
General Fund (01)	\$238,801	\$237,801	\$237,801	\$237,801
Federal Special Revenue (03)	\$238,761	\$237,555	\$237,555	\$237,555
TOTAL Revenues	\$477,562	\$475,356	\$475,356	\$475,356
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	(\$1,477,163)	(\$1,248,168)	(\$1,255,088)	(\$1,262,112)
Federal Special Revenue (03)	\$0	\$0	\$0	\$0

Technical Notes:

1. To the extent it is the intent of the legislature to not prohibit individuals eligible for Medicaid to reside in the group home, the bill should be amended to provide federal appropriation authority to the department to allow for the federal Medicaid match.
2. The net general fund impact is estimated at less than \$3 million for the biennium due to assumed general fund revenue collected. Estimates in this analysis assume a biennial expenditure of \$3.2 general fund whereas the appropriation in the bill is for \$3 million. To the extent the \$3 million appropriation remains and is not amended, the department will reduce costs and/or services as outlined in this plan.
3. Siting, zoning, and timing implications surrounding placement of a group home in an unspecified community are unknown at this time.

Sponsor's Initials

Date

Budget Director's Initials

Date