



The Big Sky Country

MONTANA HOUSE OF REPRESENTATIVES

SPONSOR'S REBUTTAL TO FISCAL NOTE

House Bill Number: HB 216

Date Prepared: 2/1/2021

Short Title: Allow Medicaid reimbursement for license outdoor behavioral programs

Sponsor: Rep. Connie Keogh

Generally, why do you disagree with the fiscal note?

There are two main concerns. One is that rates being compared do not reflect rates proposed by the current Outdoor Behavioral Program in Montana. In conversations with the Office of Budget and Planning, I have determined that the Fiscal Note projections were based on outdated information from the Children's Mental Health Bureau and not confirmed prior to development of the Fiscal Note for HB216. The other is that the fiscal impact of different services must take into account average length of treatment in addition to the daily cost.

I disagree with the direct comparison of days in varied treatment modalities due to the following information:

1. While Outdoor Behavior Programs (OBP), Therapeutic Group Homes (TGH) and In State-Psychiatric Residential Treatment Facilities (PRTFs) all provide medically necessary bundled services for youth with Serious Emotional Disturbances, the comprehensive course of treatment of Outdoor Behavioral Healthcare results in a fraction of the length of stay in institutional services. Additionally, Outdoor Behavior Programs provide an evidence-based service for addicted and treatment-resistant youth on the Continuum of Care model that is not currently available, which reliably results in either a lack of treatment or inappropriate placement for such youth. These placements include an average stay in a Montana TGH for 325 days at \$199.82 per day, and In State-PRTF for 333 days at \$336.51 per day. (Montana 2019 Mental Health National Outcome Measures (NOMS): SAMHSA Uniform Reporting System)

2. The effective length of stay for an Evidence-Based Outdoor Behavioral Program is 42 days according to the Journal of Outdoor Experiential Education, meaning treatment outcomes are both significant and sustainable upon 42 consecutive days of the treatment, regardless of variables amongst youth (Roberts, et al. Journal of Experiential Education 2016, Vol. 39(3) 288-302). Further, the National Institute of Justice states that longer duration programs are associated with smaller effects on antisocial behavior and delinquency when compared with shorter-term programs (less than 6 weeks). (Wilson, Sandra Jo, and Mark W. Lipsey. 2000.

“Wilderness Challenge Programs for Delinquent Youth: A Meta-Analysis of Outcome Evaluations.” *Evaluation and Program Planning* 23:1–12.) Based on this research and considering the population of youth most likely to require this model of treatment (treatment-resistant and youth with addictions), the proposed number of days on the fiscal note likely exceeds that of medical necessity.

I appreciate this opportunity to demonstrate the possibilities and opportunity for HB216 by reviewing different approaches to estimate the Fiscal impact.

Specifically, what in the fiscal note do you feel is flawed?

1. The program licensed in Montana for Outdoor Behavior Programs which is a non-profit program currently actually has a break-even rate of \$250 per day which was mentioned in the HB 216 Hearing. \$285 per day would allow for increased sustainability of clinical services and a reasonable amount to consider. They do not operate on a budget of \$330 per day for their program.

The Outdoor Behavior Program in Montana is a 42-day Evidence-Based Model, not 56 days.

3. The direct comparison of number of days in different treatment modalities is not representative of a comparison of treatment received during those days.

What is your estimate of the fiscal impact?

Following is a review utilizing three different daily cost scenarios with 42 days as the length of stay, keeping 56 for an offset using Therapeutic Group Homes due to the assumption that this setting would most likely be at least 56 days.

I have also included a final Scenario where I kept the number of days the same for the offset at 42.

With these four different scenarios, the fiscal impact in FY 2022 for HB 216 to the state can be estimated between (\$11,833)- \$81,215. All of which are much lower than the original fiscal note.

First a review of the current Fiscal Note:

B 216 FISCAL NOTE CURRENTLY

Youth and Adult- \$330/day

Youth and Adult – Average length of stay is 56 days

Children's Mental Health	FY 2022	FY 2023
Children served (under 17 years old)	20	62
Daily Rate	\$330.00	\$330.00
Days Per Stay	56	56
Cost Per Individual Stay	\$18,480	18,480.00
Outdoor BH Program Expenditures	\$369,600	\$1,145,760.00
Less the Offset for TGH		
Children served (under 17 years old)	20	62
Daily Rate	199.82	199.82
Days Per Stay	56	56
Cost Per Individual Stay	\$11,190	\$11,190
Outdoor BH Program Expenditures	(\$223,798)	(\$693,775)
Estimated Expenditure for Youth	\$145,802	\$451,985

Adult Mental Health	FY 2022	FY 2023
Adults Served (18 - 20 Year Olds)	2	5
Daily Rate	\$330.00	\$330.00
Days Per Stay	56	56
Cost Per Individual Stay	\$18,480	18,480.00
Outdoor BH Program Expenditures	\$36,960	\$92,400.00
Less the Offset for Adult Group Home		
Children served (under 17 years old)	2	5
Daily Rate	169.95	169.95
Days Per Stay	56	56
Cost Per Individual Stay	\$9,517	\$9,517
Outdoor BH Program Expenditures	(\$19,034)	(\$47,586)
Estimated Expenditure for Youth	\$17,926	\$44,814

HB 216 Total Costs	\$163,727	\$496,799
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The following are the adjusted fiscal impact assumptions based on three different daily costs for Outdoor Behavior Programs, 42 days, and utilizes the same approach as presented in the Fiscal Note using Therapeutic Group Homes as an offset with a 56 day stay.

Scenario 1 (Break even for Outdoor Behavior Program)

Changes include:

Youth and Adult- Reducing the daily rate for outdoor behavioral programs from \$330/day to \$250/day

Youth and Adult - Reducing the average length of stay from 56 days to 42 days for Outdoor Behavior Programs and maintaining 56 for Therapeutic Group Homes.

Children's Mental Health	FY 2022	FY 2023
Children served (under 17 years old)	20	62
Daily Rate	\$250.00	\$250.00
Days Per Stay	42	42
Cost Per Individual Stay	\$10,500	10,500.00
Outdoor BH Program Expenditures	\$210,000	\$651,000.00
Less the Offset for TGH		
Children served (under 17 years old)	20	62
Daily Rate	199.82	199.82
Days Per Stay	56	56
Cost Per Individual Stay	\$11,190	\$11,190
Outdoor BH Program Expenditures	(\$223,798)	(\$693,775)
Estimated Expenditure for Youth	(\$13,798)	(\$42,775)

Adult Mental Health	FY 2022	FY 2023
Adults Served (18 - 20 Year Olds)	2	5
Daily Rate	\$250.00	\$250.00
Days Per Stay	42	42
Cost Per Individual Stay	\$10,500	10,500.00
Outdoor BH Program Expenditures	\$21,000	\$52,500.00

Less the Offset for Adult Group Home		
Children served (under 17 years old)	2	5
Daily Rate	169.95	169.95

Days Per Stay	56	56
Cost Per Individual Stay	\$9,517	\$9,517
Outdoor BH Program Expenditures	(\$19,034)	(\$47,586)
Estimated Expenditure for Youth	\$1,966	\$4,914

HB 216 Total Costs	(\$11,833)	(\$37,861)
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Scenario 2 (Sustainable rate for Outdoor Behavior Program)

Changes include:

Youth and Adult-Reducing the daily rate for outdoor behavioral programs from \$330/day to \$285/day

Youth and Adult - Reducing the average length of stay from 56 days to 42 days for Outdoor Behavior Programs and maintaining 56 for Therapeutic Group Homes.

Children's Mental Health	FY 2022	FY 2023
Children served (under 17 years old)	20	62
Daily Rate	\$285.00	\$285.00
Days Per Stay	42	42
Cost Per Individual Stay	\$11,970	11,970.00
Outdoor BH Program Expenditures	\$239,400	\$742,140.00

Less the Offset for TGH		
Children served (under 17 years old)	20	62
Daily Rate	199.82	199.82
Days Per Stay	56	56
Cost Per Individual Stay	\$11,190	\$11,190
Outdoor BH Program Expenditures	(\$223,798)	(\$693,775)

Estimated Expenditure for Youth	\$15,602	\$48,365
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Adult Mental Health	FY 2022	FY 2023
Adults Served (18 - 20 Year Olds)	2	5
Daily Rate	\$285.00	\$285.00
Days Per Stay	42	42
Cost Per Individual Stay	\$11,970	11,970.00
Outdoor BH Program Expenditures	\$23,940	\$59,850.00

Less the Offset for Adult Group Home

Children served (under 17 years old)	2	5
Daily Rate	169.95	169.95
Days Per Stay	56	56
Cost Per Individual Stay	\$9,517	\$9,517
Outdoor BH Program Expenditures	(\$19,034)	(\$47,586)

Estimated Expenditure for Youth	\$4,906	\$12,264
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HB 216 Total Costs	\$20,507	\$60,629
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Scenario 3 (Rate used from actual Fiscal Note)

Changes include:

Youth and Adult – Maintaining the \$330/day that was suggested by the Fiscal Note

Youth and Adult - Reducing the average length of stay from 56 days to 42 days for

Outdoor Behavior Programs and maintaining 56 for Therapeutic Group Homes.

Children's Mental Health	FY 2022	FY 2023
Children served (under 17 years old)	20	62
Daily Rate	\$330.00	\$330.00
Days Per Stay	42	42
Cost Per Individual Stay	\$13,860	13,860.00
Outdoor BH Program Expenditures	\$277,200	\$859,320.00

Less the Offset for TGH	FY 2022	FY 2023
Children served (under 17 years old)	20	62
Daily Rate	199.82	199.82
Days Per Stay	56	56
Cost Per Individual Stay	\$11,190	\$11,190
Outdoor BH Program Expenditures	(\$223,798)	(\$693,775)

Estimated Expenditure for Youth	\$53,402	\$165,545
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Adult Mental Health	FY 2022	FY 2023
Adults Served (18 - 20 Year Olds)	2	5
Daily Rate	\$330.00	\$330.00
Days Per Stay	42	42
Cost Per Individual Stay	\$13,860	13,860.00
Outdoor BH Program Expenditures	\$27,720	\$69,300.00

Less the Offset for Adult Group Home

Children served (under 17 years old)	2	5
Daily Rate	169.95	169.95

Days Per Stay	56	56
Cost Per Individual Stay	\$9,517	\$9,517
Outdoor BH Program Expenditures	(\$19,034)	(\$47,586)
Estimated Expenditure for Youth	\$8,686	\$21,714

HB 216 Total Costs	\$62,087	\$187,259
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Scenario 4-(Sustainable rate for Outdoor Behavior Program and offset same number of days.)

Changes include:

Youth - Reducing the daily rate for outdoor behavioral programs from \$330/day to \$285/day

Youth and Adult - Reducing the average length of stay from 56 days to 42 days

Children's Mental Health	FY 2022	FY 2023
Children served (under 17 years old)	20	62
Daily Rate	\$285.00	\$285.00
Days Per Stay	42	42
Cost Per Individual Stay	\$11,970	11,970.00
Outdoor BH Program Expenditures	\$239,400	\$742,140.00
Less the Offset for TGH		
Children served (under 17 years old)	20	62
Daily Rate	199.82	199.82
Days Per Stay	42	42
Cost Per Individual Stay	\$8,392	\$8,392
Outdoor BH Program Expenditures	(\$167,849)	(\$520,331)
Estimated Expenditure for Youth	\$71,551	\$221,809

Adult Mental Health	FY 2022	FY 2023
Adults Served (18 - 20 Year Olds)	2	5
Daily Rate	\$285.00	\$285.00
Days Per Stay	42	42
Cost Per Individual Stay	\$11,970	11,970.00
Outdoor BH Program Expenditures	\$23,940	\$59,850.00

Less the Offset for Adult Group Home
Children served (under 17 years old)

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Daily Rate	169.95	169.95
Days Per Stay	42	42
Cost Per Individual Stay	\$7,138	\$7,138
Outdoor BH Program Expenditures	(\$14,276)	(\$35,690)
Estimated Expenditure for Youth	\$9,664	\$24,161

HB 216 Total Costs	\$81,215	\$245,969
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Considering all the preceding information, the Fiscal Impact for Scenario 2 with 42 days using the \$285/day rate, would be \$20,507 for Fiscal Year 2022.

Compared to the original Fiscal Note, this is a potential difference of \$143,220 for one Fiscal Year. I would request that the committee consider Scenario 2 as the fiscal estimate for HB216.

Thank you, Mr. Chair and committee members, for your consideration and review of this rebuttal. I respectfully ask for a Do Pass of HB 216 based on the information that I have provided.

Sponsor Signature: Rep. Connie Geogh