

Fiscal Estimate - 2007 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 07-3506/1	Introduction Number AB-0700	
Description children with severe disabilities or who are involved in multiple systems of care, or both, and their families and making an appropriation		
Fiscal Effect		
State:		
<input type="checkbox"/> No State Fiscal Effect <input checked="" type="checkbox"/> Indeterminate <input checked="" type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs		
Local:		
<input type="checkbox"/> No Local Government Costs <input checked="" type="checkbox"/> Indeterminate 1. <input checked="" type="checkbox"/> Increase Costs 3. <input type="checkbox"/> Increase Revenue <input checked="" type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		
5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input checked="" type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts		
Fund Sources Affected Affected Ch. 20 Appropriations		
<input checked="" type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.435(7)(co)		
Agency/Prepared By	Authorized Signature	Date
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Fiscal Estimate Narratives

DHFS 3/25/2008

LRB Number	07-3506/1	Introduction Number	AB-0700	Estimate Type	Original
Description children with severe disabilities or who are involved in multiple systems of care, or both, and their families and making an appropriation					

Assumptions Used in Arriving at Fiscal Estimate

Currently, the Department supports 18 county-operated Integrated Services Programs (ISPs) and 25 county-operated Coordinated Services Teams (CSTs). ISPs were developed in 1989 to provide "wraparound" systems of care for children who had multiple needs and were diagnosed with Severe Emotional Disabilities. In 2002, the CST model was introduced, which expanded upon the ISP framework, to serve children who have complex needs and require services from at least two systems of care (e.g. mental health, substance abuse, child welfare, juvenile justice). Both ISPs and CSTs offer children and their families a collaborative, systems-wide approach to their care needs. A central notion in both these models is the family-centered team, including parents and providers, which works to respond to the multiple and serious needs of children and their families in order to avoid out-of-home care placement.

In FY 07, the Department allocated a total of \$2.7 million to ISPs and CSTs in support of their work. This allocation represents a mix of funding, including GPR, a portion of the state's allocation of the Mental Health Block Grant, a portion of the state's Substance Abuse Block Grant, a portion of the state's Safe and Stable allocation and Hospital Diversion Funding. Some children participating in an ISP or CST are eligible for Medical Assistance (MA) and receive services for which the federal government will cover approximately 60% of costs. The non-federal share, or the remaining 40% of costs, is paid either by the Department or by county governments, depending on the service. In FY 06, MA expenditures for children receiving outpatient therapy services totaled \$7,367,385 AF; other mental health and substance abuse expenditures that are eligible for federal MA matching funds but for which the non-federal share is paid by the counties include targeted case management (if child is not Title IV-E eligible, for which \$1,403,524 FED was claimed), comprehensive community services (\$260,162 FED), community support program (\$48,877 FED), crisis intervention (\$7,757,201 FED).

AB 700 would make programmatic changes to the current ISP and CST models and would allocate additional GPR funding. This bill would require that existing ISPs expand to the CST model so that children involved in multiple systems of care can receive more wraparound services. The other significant changes proposed with this bill include allowing tribes to administer a CST and to provide funds to counties and tribes not yet operating a CST or ISP; expanding the coordinated committee by the number of required and optional members; expanding the role of coordinating committee; creating and defining the role of project coordinator; increasing the appropriation to the Department to provide grants to counties for CST initiatives by \$1,466,000 GPR in FY 09.

As CSTs are implemented across the state, it is likely that the number of children receiving MA services will also increase. However, the precise increase cannot be estimated because some children may currently receive these services outside of a CST. Nonetheless, if these new children are MA-eligible, and depending on the service, the Department or counties can claim and receive federal matching funds for services provided to them. In addition, if these children utilize MA services for which the Department must fund the non-federal share, GPR costs in the MA program will increase. The actual number of new children served depends on several variables, including the number of counties which will respond to the CST request for proposals, the time required to implement a new CST, and the proportion of new children eligible for MA. Therefore, it is difficult to estimate the precise increase in GPR costs and amount of additional federal funding that could be claimed, and the fiscal effect to the state is indeterminate.

The local impact of this bill is also difficult to measure. As noted above, it is not possible to estimate the number of new children served through a CST. Furthermore, the ability of county government agencies to provide these services may be limited by the availability of local funds, such as county tax levy, because many mental health and substance abuse services are matched with county funds, not GPR. While a need for services exists, especially those services for which county funds are used as the non-federal match, counties will be unable to provide them if the non-federal payment dollars are not available.

Long-Range Fiscal Implications