

Fiscal Estimate - 2013 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 13-2672/1	Introduction Number AB-0468	
Description Admission of Family Care enrollees to mental health institutes and making an appropriation		
Fiscal Effect		
State:		
<input type="checkbox"/> No State Fiscal Effect <input 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 type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs 3. <input type="checkbox"/> Increase Revenue 5. Types of Local Government Units Affected <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities 2. <input checked="" type="checkbox"/> Decrease Costs 4. <input type="checkbox"/> Decrease Revenue <input checked="" type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> Permissive <input checked="" type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <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(2)(bj)		
Agency/Prepared By	Authorized Signature	Date
DHS/ Lara Rosen (608) 266-5655	Andy Forsaith (608) 266-7684	11/13/2013

Fiscal Estimate Narratives

DHS 11/13/2013

LRB Number	13-2672/1	Introduction Number	AB-0468	Estimate Type	Original
Description Admission of Family Care enrollees to mental health institutes and making an appropriation					

Assumptions Used in Arriving at Fiscal Estimate

Currently, when individuals enrolled in Family Care are admitted to a mental health institute (MHI), counties are responsible for a share of these individuals' costs of care during their admission. For individuals under the age of 22 or age 65 or older, counties are responsible for the non-federal Medicaid share, or roughly 40% of costs. For individuals between the ages of 22 and 64, counties are responsible for the full cost of care. This bill requires DHS to reimburse counties for a portion of costs of services provided to Family Care enrollees who are admitted to mental health institutes and have stays exceeding 30 days. It increases the appropriation in 20.435(2)(bj) by \$375,000 GPR in SFY 14 and \$375,000 GPR in SFY 15 to pay for these reimbursements.

Under the bill, DHS would reimburse counties at 50% of the non-federal share of the cost of care for days 31-60 following admission, 75% of the non-federal share for days 61-90, and all costs for days exceeding 90 days. Family Care members are generally disenrolled from Family Care during their MHI stay. It is assumed that DHS must reimburse counties for all individuals enrolled in Family Care immediately prior to their MHI admission. It is unclear whether DHS would be required to reimburse counties for costs up to the amount appropriated in the bill or amounts calculated under the formula outlined above. If DHS is required to reimburse counties for costs beyond the appropriated level, it may not have sufficient funds to support community forensic programs budgeted under 20.435(2)(bj).

This estimate assumes DHS would be required to reimburse counties for the full costs under the bill's formula. The cost of doing so is estimated to be \$643,400 GPR annually. This estimate is based on an analysis of Family Care enrollees admitted to an MHI from July 2011 to April 2013 and assumes a daily MHI rate of \$999. During this period, 45 Family Care enrollees had MHI admissions that lasted over 30 days, with an average length of stay of 92 days. Eighteen of these individuals were not eligible for Medicaid reimbursement during their stay because they were between the ages of 22 and 64.

The bill also requires the Department of Health Services, care management organizations (CMOs), and counties to undertake various activities pertaining to Family Care enrollees who are admitted to a mental health institute (MHI) or who may be at risk of admission. In addition to notification and reporting requirements, the bill requires DHS to establish criteria and then, based on these criteria, determine whether an enrollee is at substantial risk for being admitted to an MHI. The bill also requires CMOs and counties to work together to create an emergency plan for individuals fulfilling those criteria, and to create a team of certain individuals to coordinate post-discharge placement for enrollees admitted to MHIs.

These activities are expected to result in additional administrative costs for DHS. System changes will likely need to be made to establish criteria and make determinations of whether an enrollee is at substantial risk for MHI admission. One-time development and support costs for changes to the adult long-term care functional screen and the data warehouse are estimated to be \$102,000 GPR (\$204,000 AF) for approximately 2,300 hours of work. Ongoing system maintenance costs are estimated at \$23,300 GPR (\$46,600 AF).

In addition, it is estimated that 1.0 FTE will be needed for a Program and Policy Analyst to serve as a statewide mental and behavioral health coordinator within the Family Care program. This position is needed to ensure statewide CMO compliance with the bill's requirements, including oversight of emergency plan development and post-discharge placement team coordination. Annual costs for this position are estimated at \$32,200 GPR (\$64,400 AF) with one-time costs of \$1,300 GPR (\$2,500 AF).

CMOs may also incur costs related to coordinating post-discharge placement teams. These teams must consist of several professionals, including a county and CMO social worker, as well as a psychiatrist and law enforcement representative. It is not possible to estimate the costs to CMOs associated with involving these individuals. Any increase in costs may result in increased Medicaid expenditures.

Long-Range Fiscal Implications

See Assumptions.

Fiscal Estimate Worksheet - 2013 Session

Detailed Estimate of Annual Fiscal Effect

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Description Admission of Family Care enrollees to mental health institutes and making an appropriation			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect): One-time costs are estimated to total \$103,200 GPR (\$206,400 AF) for system changes and one-time staff costs.			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes	\$64,400		\$
(FTE Position Changes)	(1.0 FTE)		
State Operations - Other Costs	46,600		
Local Assistance			
Aids to Individuals or Organizations	643,400		
TOTAL State Costs by Category	\$754,400		\$
B. State Costs by Source of Funds			
GPR	698,900		
FED	55,500		
PRO/PRS			
SEG/SEG-S			
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)			
	Increased Rev		Decreased Rev
GPR Taxes	\$		\$
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
TOTAL State Revenues	\$		\$
NET ANNUALIZED FISCAL IMPACT			
	<u>State</u>		<u>Local</u>
NET CHANGE IN COSTS	\$754,400		\$
NET CHANGE IN REVENUE	\$		\$
Agency/Prepared By		Authorized Signature	Date
DHS/ Lara Rosen (608) 266-5655		Andy Forsaith (608) 266-7684	11/13/2013