

Fiscal Estimate - 2015 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 15-2586/1	Introduction Number AB-0408
Description Behavioral health care coordination pilot projects, psychiatric consultation reimbursement pilot project, access to information on availability of inpatient psychiatric beds, and making appropriations	
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 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 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 type="checkbox"/> Decrease Costs 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts	
Fund Sources Affected <input checked="" type="checkbox"/> GPR <input checked="" type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	Affected Ch. 20 Appropriations 20.435(2)(cm), (4)(bk), 49.45 (29r), 49.45 (29u)
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Date 10/13/2015	

Fiscal Estimate Narratives

DHS 10/13/2015

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Assumptions Used in Arriving at Fiscal Estimate

This Bill would require the Department to:

(1) Develop and establish under Medicaid at least two separate pilot projects, lasting no longer than three years, that would test alternative coordinated care delivery and payment models designed to reduce costs of MA recipients who have significant or chronic mental illness and who also have high non-behavioral medical services.

(2) Develop and establish under Medicaid a pilot project lasting up to three years that would encourage the provision of psychiatric consultations by psychiatrists to health care providers treating primary care issues and to selected specialty health care providers to assist these providers in managing and treating adults with mild to moderate mental illness and physical health needs.

(3) Award a grant of \$80,000 GPR in SFY 16 and \$30,000 GPR in SFY 17 and each year thereafter to an entity to develop and operate an Internet site and system to show the availability of inpatient psychiatric beds statewide. The Bill requires that the Department award the grant to the same entity that is contracted to collect and disseminate hospital data.

The Bill appropriates \$266,600 GPR in SFY 16 and \$266,700 GPR in SFY 17 to support the pilot projects in (1) and (2) above. Since these projects would be established under Medicaid and the Bill establishes these projects conditional on federal approval under Medicaid, there would also be federal matching funds to support the pilots. Based on the regular matching rate, there could be federal matching funds of approximately \$372,000 annually. The pilots under (1) above might qualify as a Medicaid Health Home Program as established under the Affordable Care Act (section 2703) which would provide 90% federal match for the first 8 quarters from the effective date of the accepted State Plan Amendment. There would be additional requirements above those listed in the Bill to qualify as a Medicaid Health Home Program.

The Department will face workload impacts under this Bill. The Department will need to devote staff time to implement and manage the Medicaid pilots and issue and monitor the grant for the internet psychiatric bed website. This staff process can be absorbed with existing resources.

The Bill will also impact contractor costs for the Medicaid Management Information System (MMIS) operated by the State's Medicaid fiscal agent, since the Bill will require new types of Medicaid payments. Due to the complexity of the MMIS system, additional types of payments can involve significant one-time implementation costs to ensure the reporting systems are consistently reflecting the new type of payments. The Department estimates one-time implementation costs of approximately \$50,000 AF (\$25,000 GPR) to incorporate payments for the three new pilot programs. These implementation costs could be absorbed within existing resources.

The Bill limits the GPR costs over the three years for the pilots under (1) above to a maximum of \$600,000, and for the pilot under (2) above to a maximum of \$200,000 over the three years. Although this provision establishes a limit on the costs of the pilots, there is a possibility that this limit may create a barrier to attracting a provider and/or establishing pilots with a large enough size to provide a reliable comparison between the pilots' enrollees and the control groups. The Bill requires an evaluation of the effectiveness of the pilots by comparing the pilot groups with control groups.

The goal of the Bill is to achieve savings by coordinating and managing care for high-cost Medicaid enrollees, and reflects the rationale behind the Medicaid State Plan Option for Health Homes for persons with chronic conditions. Although nineteen states have adopted this State Plan Option and some individual states report savings, the interim report to Congress on state Medicaid Health Homes did not contain any conclusions about the program's overall effectiveness since the programs were in the early stages of

implementation. The Affordable Care Act requires that an independent evaluation be done of all state programs and requires the results to be reported to Congress no later than January 1, 2017. Given the uncertainty about the size of the pilots and the preliminary nature of outcomes from other health homes, this fiscal note does not attempt to quantify any potential benefit savings.

Long-Range Fiscal Implications