



## Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #362

### **Contracted Services for Mental Health Clients (DHS -- Care Facilities and Quality Assurance)**

[LFB 2013-15 Budget Summary: Page 257, #5]

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#### **CURRENT LAW**

The Department of Health Services (DHS) contracts with private organizations and the Department of Corrections to provide certain services for individuals that have been, or may be found not guilty for a crime by reason of mental disease or defect and persons committed as sexually violent persons (SVPs) under Chapter 980 of the statutes. These services include outpatient competency-to-stand-trial examinations, supervision and placement costs for individuals who are on conditional and supervised release, an outpatient treatment to competency program, a forensic case tracking program in Milwaukee County, and a reentry program, Opening Avenues for Reentry Success (OARS), for inmates at the Wisconsin Resource Center and Taycheedah Correctional Institute.

Base funding to support all of these services is \$9,195,600 GPR.

#### **GOVERNOR**

Provide \$1,013,900 GPR in 2013-14 and \$1,710,000 GPR in 2014-15 to fund projected increases in the costs of certain contracted services for mental health clients served by DHS facilities.

*Supervised Release.* Provide \$919,900 GPR in 2013-14 and \$1,415,600 GPR in 2014-15 to fund projected increases in the costs of treating individuals who are committed as sexually violent persons under Chapter 980 of the statutes and who have been released by the court under the supervision of DHS. The administration estimates that the average number of individuals on supervised release will increase from 33 in 2012-13 to 38 in 2013-14 and 43 in 2014-15, with per

person costs averaging \$86,700 in 2013-14 and \$88,200 in 2014-15.

*Outpatient Competency Examination.* Provide \$109,000 GPR in 2013-14 and \$133,000 GPR in 2014-15 to reflect estimates of the funding needed for outpatient competency examinations. Although the administration projects no change in the number of outpatient competency-to-stand-trial examinations from 2013 to 2015, examination costs are projected to increase by 1.7 percent annually. DHS contracts with a private vendor, currently Behavioral Consultants, Inc., to conduct outpatient examinations in jails or locked units of a facility. It is estimated that the vendor will conduct 1,200 outpatient examinations each year at a cost of \$1,240 per examination in 2013-14, and at a cost of \$1,260 per examination in 2014-15.

*Conditional Release.* Provide \$102,000 GPR in 2013-14 and \$241,800 GPR in 2014-15 to reflect reestimates of the cost of contracting with the Department of Corrections to supervise individuals who have been conditionally released from the state Mental Health Institutes. This reestimate reflects population growth and projected per client cost increases of 1.7 percent annually. The administration estimates that the average daily population (ADP) of individuals on conditional release will be 292 in 2013-14 and 298 in 2014-15, at an annual cost of \$13,700 per person in 2013-14 and \$13,900 per person in 2014-15.

*Restoration to Competency.* Provide \$45,300 GPR in 2013-14 and \$66,200 GPR in 2014-15 to reflect reestimates of the cost of contracting with Behavioral Consultants, Inc. to provide outpatient restoration to competency services. This reestimate reflects per client cost increases of 1.7 percent annually. It is estimated that 61 individuals will receive outpatient treatment in 2013-14 at an annual cost per individual of \$7,300 and 63 individuals will receive services in 2014-15 at an annual cost per individual of \$7,400.

*Other Corrections Contract Costs.* Reduce funding by \$162,300 GPR in 2013-14 and \$146,600 GPR in 2014-15 to reflect reestimates of the costs of other services provided by the Department of Corrections, including contract supervision, escort transportation, and rental of GPS equipment. This reestimate reflects lower-than-expected costs compared to the 2011-13 budget estimates.

## **DISCUSSION POINTS**

1. The estimated costs of these contracted services are based primarily on estimates of the number of individuals that will receive these services. These services must be provided if they are ordered by a court. As a result, DHS has limited ability to reduce services to clients for budgetary reasons.

2. Table 1 shows the average monthly number of individuals receiving services under the supervised release, conditional release, and treatment to competency programs for fiscal years 2010-11 and 2011-12, and the administration's estimates for fiscal years 2012-13 through 2014-15.

**TABLE 1****Average Number of Clients, By Service Type**

<u>Program</u>	Actual		Administration's Estimates		
	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
Supervised Release	25	25	33	38	43
Percent Increase		0.0%	32.0%	15.2%	13.2%
Conditional Release	266	281	287	292	298
Percent Increase		5.6%	2.0%	2.0%	2.0%
Treatment to Competency	37	59	60	61	63
Percent Increase		59.5%	2.0%	1.3%	3.3%

3. The Department expects that the number of individuals on supervised release will increase significantly in the 2013-15 biennium for the following reasons: (a) courts are taking into account research that suggest SVPs have low recidivism rates if they are released after age 60; (b) supervised release is being used in place of discharging SVPs; (c) inmates that have been institutionalized for many years sometimes choose supervised release over discharge; (d) SVPs with high acuity or with cognitive disabilities often require supervised release for longer durations; and (e) DHS can more easily make supervised release placements in Milwaukee and Kenosha Counties.

4. Under s. 980.08(4)(cm) of the statutes, after a court determines that a SVP meets the criteria for supervised release, the court must select a county to prepare a report identifying prospective residential options for community placement of the individual. Unless the court has good cause to select another county, the court must select the person's county of residence as determined by the Department. DHS indicates that, in the past, it has not been easy placing SVPs in Milwaukee and Kenosha Counties due to local objections. In the past eighteen months, DHS was able to make placements to these counties more easily than in the past. The Department cites improved communications with the Department of Corrections, which approves every placement, an increase in the number of rental properties accepting individuals on supervised release, and less legal resistance at the county level as the reasons for this change.

5. The Governor's estimates of clients that will be served in the 2013-14 and 2014-15 fiscal years are identical to the estimates DHS used in the agency's 2013-15 budget request that was submitted in September, 2012. However, since September, 2012, an additional eight months of client population data is available.

6. A review of the administration's population estimates suggest that the estimates of the average number of individuals who will be on supervised release in 2013-14 and 2014-15 could be revised. The funding in the bill is based on the assumption that the average number of clients on supervised release would be 33 in 2012-13. However, through March, 2013, there has been an average of 31 supervised release clients in 2012-13. By retaining the administration's assumptions regarding the rate of growth in this population, but reducing the base year estimate of the number of

clients from 33 to 31, funding in the bill could be reduced by \$173,500 GPR in 2013-14 and by \$176,400 in 2014-15 (Alternative 2). However, based on the uncertainty regarding the number of clients and average costs of serving clients, the Committee could retain the funding that would be budgeted for these services in the bill (Alternative 1).

## ALTERNATIVES

1. Approve the Governor's recommendation.
2. Reduce funding in the bill by \$173,500 GPR in 2013-14 and by \$176,400 in 2014-15 to reflect a reestimate of the number of clients that will be on supervised release in the 2013-15 biennium.

<b>ALT 2</b>	<b>Change to Bill Funding</b>
GPR	- \$349,900

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