


**Legislative
Council Staff**
Nonpartisan Services for Colorado's Legislature
**REVISED
FISCAL NOTE**
(replaces fiscal note dated March 21, 2019)

Drafting Number:	LLS 19-0717	Date:	April 27, 2019
Prime Sponsors:	Sen. Fields; Gardner Rep. Kraft-Tharp; Landgraf	Bill Status:	House Health & Insurance
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Bill Topic:	CHILD AND YOUTH BEHAVIORAL HEALTH SYSTEM ENHANCEMENTS
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Summary of Fiscal Impact:	<input type="checkbox"/> State Revenue <input checked="" type="checkbox"/> State Expenditure <input type="checkbox"/> State Transfer	<input type="checkbox"/> TABOR Refund <input checked="" type="checkbox"/> Local Government <input type="checkbox"/> Statutory Public Entity
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This bill directs multiple state agencies to coordinate the implementation and provision of behavioral health services for children and youth. The bill will increase state and local expenditures on an ongoing basis.

Appropriation Summary:	For FY 2019-20, this bill requires and includes an appropriation of \$1,533,836 to multiple state agencies.
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Fiscal Note Status:	This revised fiscal note reflects the reengrossed bill.
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Table 1
State Fiscal Impacts Under SB 19-195

	FY 2019-20	FY 2020-21	FY 2021-22
Revenue	-	-	-
Expenditures			
General Fund	\$761,933	\$883,954	\$5,510,845
Federal Funds	\$771,903	\$817,087	\$5,195,624
Centrally Appropriated	\$85,080	\$115,893	\$101,719
Total	\$1,618,916	\$1,816,934	\$10,808,188
Total FTE	5.4 FTE	7.2 FTE	6.3 FTE
Transfers	-	-	-
TABOR Refund	-	-	-

Summary of Legislation

This bill requires the Department of Health Care Policy and Financing (HCPF) and the Department of Human Services (DHS) to work collaboratively to provide Medicaid-covered wraparound services for children and youth at risk of out-of-home placement or who are currently in out-of-home placement. Out-of-home placement is defined to mean a child or youth who has been diagnosed as having a mental health or behavioral health disorder that may require a level of care that is provided in a residential child care facility, inpatient psychiatric hospital, or other intensive care setting outside the home. It also includes children and youth who have entered the Division of Youth Services or are at risk of child welfare involvement. The DHS is also required to create three new tools to assess, screen, and provide a single referral and entry point for children with mental or behavioral health issues. The Department of Public Health and Environment (CDPHE) must provide free training for providers on these tools.

Medicaid-covered wraparound services for children and youth. By July 1, 2020, HCPF must request federal authorization to provide wraparound services for eligible children and youth who are at risk of out-of-home placement or who are in an out-of-home placement. HCPF is required to seek stakeholder input and consider a tiered care coordination approach in developing the waiver.

Upon federal authorization, wraparound services provided to eligible children and youth must be covered under the state's Medicaid program. HCPF must require managed care entities (MCEs) to implement wraparound services, which may be contracted to a third party. HCPF is also required to contract with the DHS to ensure care coordinators and others responsible for implementing wraparound services have adequate training and resources to support children and youth with co-occurring diagnoses.

The Office of Behavioral Health in DHS must develop and oversee these wraparound services in collaboration with HCPF and other stakeholders. Two full-time staff must be appointed by the executive director of DHS to support and facilitate interagency coordination.

Standardized assessment tool, screening tool, and referral and entry point. The DHS is required to select three tools as follows.

- *Standardized assessment tool.* By July 1, 2020, the DHS is required to select a single standardized assessment tool to facilitate identification of behavioral health issues and other related needs in children and youth. The DHS must also develop a plan to implement the tool for programmatic utilization. The DHS must consult with HCPF, the MCEs, counties, and other stakeholders prior to selecting the tool.
- *Standardized screening tool.* By July 1, 2020, the DHS is required to select a developmentally appropriate and culturally competent statewide behavioral health screening tool for primary care providers serving children, youth, and caregivers in the perinatal period, including postpartum women. The consultation process for this tool must include HCPF, the CDPHE, and the Division of Insurance in the Department of Regulatory Agencies.

- *Statewide referral and entry point.* By July 1, 2020, the DHS must develop a plan for establishing a single statewide referral and entry point for children and youth who have a positive behavioral health screening or whose needs are identified through a standard assessment. Mental health professionals, families, communities, HCPF, and the CDPHE must be consulted, in addition to any other relevant stakeholders and departments.

Training for health care professionals. The CDPHE is required to ensure adequate statewide training on standardized tools for primary care providers and other health professionals at no cost to the professional. Training services may be contracted to a third party.

Integrated funding pilot. HCPF is responsible for designing and recommending a child and youth behavioral health delivery system pilot program by July 1, 2020, that addresses the challenges of fragmentation and duplication of behavioral health services. HCPF is required to work with the DHS, counties, MCEs, families, and other relevant departments and stakeholders in designing the pilot.

Reporting. HCPF and the DHS are required to monitor and report annual cost savings associated with wraparound services and report on their findings during their annual SMART Act hearings. MCEs are required to report utilization and effectiveness data to HCPF.

State Expenditures

The bill increases state expenditures by \$1.6 million and 5.4 FTE in FY 2019-20, \$1.8 million and 7.2 FTE in FY 2020-21, and \$10.8 million and 6.3 FTE in FY 2021-22 and each year thereafter from General Fund and federal funds. The bill will also increase state expenditures in future fiscal years for the tools required under the bill; these costs have not been estimated and will be addressed through the annual budget process. Costs are shown in Table 2 and discussed below.

Table 2
Expenditures Under SB 19-195

	FY 2019-20	FY 2020-21	FY 2021-22
Health Care Policy and Financing			
Personal Services	\$289,009	\$385,345	\$297,727
Operating and Capital Outlay Costs	\$27,410	\$4,750	\$3,800
Computer Programming	\$619,159	\$619,159	-
Contractor Costs	\$75,000	\$25,000	\$92,377
Provider Outreach, Materials, and Training	\$380,809	\$380,809	\$492,000
Wraparound Services	-	-	\$9,600,000
Centrally Appropriated Costs	\$59,847	\$78,077	\$61,500
FTE – Personal Services	3.9 FTE	5.0 FTE	4.0 FTE
HCPF (Subtotal)	\$1,451,234	\$1,493,140	\$10,547,404
Department of Public Health & Environment			
Personal Services	-	\$12,840	\$21,011
Training Modules, Materials, and Updates	-	\$96,000	\$22,416
Centrally Appropriated Costs	-	\$4,171	\$6,573
FTE – Personal Services	-	0.2 FTE	0.3 FTE
CDPHE (Subtotal)	\$0	\$113,011	\$50,000
Department of Human Services			
Personal Services	\$131,428	\$175,238	\$175,238
Operating and Capital Outlay Costs	\$11,021	\$1,900	\$1,900
Centrally Appropriated Costs	\$25,233	\$33,645	\$33,646
FTE – Personal Services	1.5 FTE	2.0 FTE	2.0 FTE
DHS (Subtotal)	\$167,682	\$210,783	\$210,784
Total Cost	\$1,618,916	\$1,816,934	\$10,808,188
General Fund	\$761,933	\$883,954	\$5,510,845
Federal Funds	\$771,903	\$817,087	\$5,195,624
Centrally Appropriated Costs	\$85,080	\$115,893	\$101,719
Total FTE	5.4 FTE	7.2 FTE	6.3 FTE

Health Care Policy and Financing. The Department of Health Care Policy and Financing is required to seek federal authorization to provide wraparound services for eligible children and youth by July 1, 2020, which the fiscal note assumes will be granted and the benefit available the following July 1, 2021. HCPF will have staff and contractor costs to seek federal authorization; to solicit and report on stakeholder input; to update the Medicaid Management Information System (MMIS), for which 90 percent federal reimbursement is available; to design services and provider reimbursement methodologies; and, to provide training to entities responsible for implementing wraparound services. Wraparound services are estimated to cost \$9.6 million per year beginning in FY 2021-22.

Department of Public Health and Environment. In order to provide the developmentally appropriate and culturally responsive training required by the bill, CDPHE requires \$96,000 to create eight online training modules to train various health care professionals on a standardized assessment tool, screening tool, and referral entry point in FY 2020-21. Annual module updates will begin in FY 2021-22 and are anticipated to cost \$16,000, plus material costs of \$6,416.

Department of Human Services. The Office of Behavioral Health in DHS requires 2.0 FTE to develop and oversee wraparound services in collaboration with HCPF and other stakeholders as well as to support and facilitate interagency coordination. To implement the tools required under the bill, the DHS will use the annual budget process. To the extent that DHS is involved in the new Medicaid service model, additional administrative costs may be incurred, which will also be addressed through the annual budget process.

Centrally appropriated costs. Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. These costs, which include employee insurance and supplemental employee retirement payments, are estimated to be \$85,080 in FY 2019-20, \$115,893 in FY 2020-21, and \$101,719 in FY 2021-22.

Local Government

Similar to DHS, county departments of human services that are involved in the stakeholder and implementation process and, later, the new Medicaid service model, will have workload increases and potential expenditures. To the extent that youth in the child welfare system receive wraparound services that prevent the need for placement in facilities with higher levels of services, counties may have decreased child welfare spending.

Effective Date

The bill takes effect August 2, 2019, if the General Assembly adjourns on May 3, 2019, as scheduled, and no referendum petition is filed.

State Appropriations

For FY 2019-20, the bill requires and includes a total appropriation of \$1,533,836 in the following amounts:

- \$619,484 General Fund to the Department of Health Care Policy and Financing and 3.9 FTE;
- \$771,903 Federal Funds to the Department of Health Care Policy and Financing;
- a reappropriation of \$300,000, split evenly between General Fund and Federal Funds to the Department of Human Services; and
- \$142,449 General Fund to the Department of Human Services and 1.5 FTE.

State and Local Government Contacts

Child Protection Ombudsman
Health Care Policy and Financing
Legislative Council
Public Health and Environment

Counties
Human Services
Local Affairs
Public Safety

Governor
Law
Municipalities
Regulatory Agencies