

Schedule 13

Funding Request for the FY 2018-19 Budget Cycle

Department of Human Services

Request Title

R-10, Child Mental Health Treatment Act

Dept. Approval By: Melissa Wardell

OSPB Approval By: [Signature]

Supplemental FY 2017-18
 Change Request FY 2018-19
 Budget Amendment FY 2018-19

Summary Information	Fund	FY 2017-18		FY 2018-19		FY 2019-20
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total		\$1,093,969	\$0	\$1,093,969	\$650,651	\$0
FTE		0.0	0.0	0.0	0.0	0.0
Total of All Line Items Impacted by Change Request	GF	\$664,408	\$0	\$664,408	\$650,651	\$0
	CF	\$304,205	\$0	\$304,205	\$0	\$0
	RF	\$125,356	\$0	\$125,356	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Line Item Information	Fund	FY 2017-18		FY 2018-19		FY 2019-20
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total		\$1,093,969	\$0	\$1,093,969	\$650,651	\$0
08. Behavioral Health Services, (B) Mental Health Community Program, (1)	FTE	0.0	0.0	0.0	0.0	0.0
	GF	\$664,408	\$0	\$664,408	\$650,651	\$0
	CF	\$304,205	\$0	\$304,205	\$0	\$0
	RF	\$125,356	\$0	\$125,356	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

CF Letternote Text Revision Required?	Yes	No	<u>X</u>	If Yes, see schedule 4 fund source detail.
RF Letternote Text Revision Required?	Yes	No	<u>X</u>	
FF Letternote Text Revision Required?	Yes	No	<u>X</u>	
Requires Legislation?	Yes	No	<u>X</u>	
Type of Request?	Department of Human Services Prioritized Request			
Interagency Approval or Related Schedule 13s:	None			

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Cost and FTE

- The Department requests \$650,651 total funds/General Fund in FY 2018-19 to provide mental health treatment services to meet the increased behavioral health needs of eligible children and avoid unwarranted child welfare involvement.
- This is an increase of 39.26% over the FY 2017-18 appropriations.

Current Program

- The Colorado Child Mental Health Treatment Act (CMHTA) provides behavioral health treatment to qualifying children and their families who are at risk of out of home placement.
- The purpose of the program is to reduce unnecessary child welfare involvement when the primary concern of the family is the child’s behavioral health.
- The requested funding would be used to provide services available under the current program which includes: clinical assessments for children and families, residential treatment, day treatment, group therapy, in-home therapy, individual therapy, family therapy, care coordination, state level appeal assessments, psychological assessments, respite care, applied behavioral analysis, coaching, animal assisted therapy, and other treatment and interventions for children and families in Colorado who do not qualify for Colorado’s Medicaid program “Health First Colorado.”

Problem or Opportunity

- The CMHTA program has seen a dramatic increase in the number of children who are in need of behavioral health services. There has been a 98% increase in clients from FY 2011-12 to FY 2016-17, with 50 clients served in FY 2011-12 and 99 clients served in FY 2016-17. If additional funding is not received, the Department will need to suspend enrollment of children in this program.

Consequences of Problem

- If CMHTA funding does not match the need for services, the Department will be unable to follow 27-67-101, C.R.S. (2017) to its full extent. Children who are at risk of out of home placement will either go without services or end up in Child Welfare, Youth Services, or acute hospitalization settings resulting in increased costs in these systems.
- If CMHTA appropriations are not able to fund needed behavioral health treatment, the State may experience increased child welfare and juvenile justice involvement for children, subsequently jeopardizing the Department’s mission and goals.
- Without adequate CMHTA appropriations, children will be placed on waitlists which will degrade the ability for CMHTA to fund children in a timely manner and the Department’s ability to comply with 27-67-101, C.R.S. (2017). Ultimately, this would result in a long-term reduction in referrals from county child welfare caseworkers, hospitals, families, and advocacy organizations.

Proposed Solution

- The Department requests \$650,651 total funds/General Fund in FY 2018-19 in order to meet the behavioral health needs of eligible children.
- The funding will provide behavioral health treatment for ten additional children. This includes four children with high behavioral health treatment needs requiring increased staffing in residential treatment, two children in residential treatment, and four children in community based care.

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COLORADO
Department of Human Services

John W. Hickenlooper

Governor

FY 2018-19 Funding Request | November 1, 2017

Reggie Bicha

Department Priority: R-10
Request Detail: Child Mental Health Treatment Act

Summary of Incremental Funding Change for FY 2018-19	Total Funds	FTE	General Fund
Child Mental Health Treatment Act	\$650,651	0.0	\$650,651
Summary of Incremental Funding Change for FY 2019-20	Total Funds	FTE	General Fund
Child Mental Health Treatment Act	\$650,651	0.0	\$650,651

Problem or Opportunity:

The Department requests \$650,651 total funds/General Fund in FY 2018-19 to meet the behavioral health needs of eligible children. The Child Mental Health Treatment Act (CMHTA) is an effective program designed to reduce unwarranted child welfare involvement when the primary concern is the child's behavioral health. CMHTA provides funding to eligible children and families when the child is at risk of out of home placement with the goal of preserving and reunifying families.

The CMHTA program has seen a dramatic increase in the number of children who are in need of enhanced behavioral health services. Children eligible for the CMHTA program typically require intensive services and increased staffing coverage to allow children to remain in their homes and communities. As demonstrated in Table 1, there has been a 19% increase in clients, from 83 in FY 2013-14 to 99 in FY 2016-17. Additionally, the Department has been challenged with the difficult task of placing children in an inpatient alternative setting who have been diagnosed with co-occurring mental health issues and developmental disabilities or intellectual and developmental disabilities (DD/IDD). Many treatment facilities will not accept these high need children because they cannot provide the level of care needed. Children with co-occurring issues often require a wide variety of interventions, outside of traditional therapeutic interventions. These children may have special treatment considerations that may include co-occurring health issues and the need for 24 hour supervision to address safety concerns. During the second quarter of FY 2016-17, the Department began a new multi-agency collaboration with the Division of Child Welfare, Office of Behavioral Health, Colorado Department of Health Care Policy and Financing, local hospitals, and local county child welfare offices with the goal of proactively preventing unwarranted child

welfare involvement for children with high behavioral health treatment needs, especially individuals with DD/IDD diagnoses. CMHTA is one of the limited state funded treatment options for children with DD/IDD diagnosis outside of child welfare.

If additional funding is not received, the Department will continue to suspend enrollment of children in this program. Children who are at risk of out of home placement will either go without services or end up in Child Welfare, Youth Services, or acute hospitalization settings.

Table 1: FY 2014-2017 – CMHTA Children Served		
Fiscal Year (Actuals)	Number of Clients Served	Percent (%) Change Year over Year
FY 2013-14	83	+41%
FY 2014-15	91	+10%
FY 2015-16	89	-2%
FY 2016-17	99	+11%
Average yearly increase from: FY 2013-14 to FY 2016-17	$((99/83)/4)-1=$	+4.8%

By utilizing more cost-effective treatments, the Department has been able to fund more children. Beginning in FY 2016-17, the Department has seen an increase in funding requests for children with DD/IDD. This is in part due to increased community outreach, increased technical assistance, and increased interdepartmental collaboration. The children with DD/IDD funded through CMHTA also have at least one mental illness. Due to the complexity in treatment of dual diagnosed children, the cost of care is higher and duration of funding is longer than funded children with only mental health needs. These services typically include behavioral interventions and increased staffing coverage for children who may have impulsive and aggressive behaviors that require coverage and sustained interventions to maintain children in the community and avoid placements in higher levels of care. All children who receive CMHTA funding are at risk of out of home placement, either through juvenile justice, child welfare, or hospitalization. CMHTA functions to prevent multisystem involvement and treats children in the least restrictive environment.

Proposed Solution:

The Department requests \$650,651 total funds/General Fund in FY 2018-19 and on-going to meet the behavioral health needs of eligible children. The requested funding would be used to provide clinical assessments to children and families, residential treatment, day treatment, group therapy, in-home therapy, individual therapy, family therapy, care coordination, state level appeal assessments, and other treatment and interventions for children and families in Colorado who are not categorically eligible for Colorado’s Medicaid program “Health First Colorado” due to family income. The current appropriation is insufficient, and additional funding will help the CMHTA reach more children in need of crucial behavioral health services. Moreover, by investing additional funds in the CMHTA program, the State will allow for children at risk of out of home placement to be served in the least restrictive environment.

Anticipated Outcomes:

The anticipated outcome is that the Department will utilize the Child Mental Health Treatment Act to the fullest extent. Colorado children and families would be able to obtain needed behavioral health treatment and assessments when no other funding exists and would avoid unwarranted child welfare involvement. The Department, through 27-67-101, C.R.S. (2017), would be able to make a profound impact within Colorado and reduce the risk of out of home placement for some of Colorado's most severely mentally ill children, whose acute conditions have elevated their treatment needs beyond the parents or guardians available treatment means. This would be achieved by funding residential treatment, community-based treatment, and ensuring a thoughtful and clinically significant transition plan exists when a child returns home from congregate care or other institutional level of care.

Children who have been involved with the Department's CMHTA program have been successfully diverted from unwarranted Child Welfare involvement. The Department's analysis of 364 CMHTA-funded children between FY 2006-07 and FY 2015-16 demonstrated that 87.7% of funded children did not have child welfare interactions after CMHTA enrollment. Additional data provided by community mental health centers report that between April 2014 and FY 2015-16 83% of CMHTA funded children had a reduced risk of out of home placement upon discharge from CMHTA funding.

Assumptions and Calculations:

The Department's total request includes three components, each represented by a different population of children served by the Child Mental Health Treatment Act. The assumptions related to these three populations are detailed in Tables 2 and 3.

1. The Department estimates that four individuals with co-occurring mental health and DD/IDD will be placed in this program for the duration of FY 2018-19. This is based upon the four children that were in placement at the end of FY 2016-17. The Department estimates that this trend will continue and four children will be placed in this program for the duration of FY 2018-19. The expected average length of stay for children with DD/IDD in residential treatment is 12 months, with an average per diem cost of \$400. The Department assumes, given that the trend for this population has only more recently stabilized, that a caseload of four children with co-occurring mental health/DD/IDD will continue indefinitely through FY 2018-19 and beyond. The daily rate for these children's services was calculated based upon the annualized average cost in FY 2016-17, which was calculated at \$584,000 for the four children and divided by the 1,460 estimated days of service (4 children X 365 days per year)=\$400/service day per child.
2. Additionally, in FY 2016-17, the residential treatment per diem cost averaged \$189, which is comparable to the Child Welfare residential treatment anchor rate. The Department's growth in caseload for the entire program increased from 83 to 99 children from FY 2013-14 to FY 2016-17 at an average yearly rate of 4.8%. At end of FY 2016-17 there were 31 children served in a residential treatment facility. The Department calculated the projected growth in FY 2018-19, and corresponding need to fund the residential care for two children on an annual basis.

3. As of October 12, 2017 the Department’s waitlist for this program was fourteen children. The Department did not factor these cost into its calculations and assumes that as children discharge from the program the children on the wait list will be admitted on a “one in, one out” basis.

2. Table 2: FY 2018-19 Mental Health Only Residential Projected Case Load Growth in FY 2018-19		
Number of Children Served	Average Yearly % Increase from FY 2013-14 to FY 2016-17	Projected Increase in Number Served
31	4.8%	1.5 rounded to 2

4. Finally, the Department calculated the estimated average cost per client for the population served via community based services. This estimate was calculated by dividing the total estimated community based services costs by the estimated number of community based clients served. The result is the estimated FY 2016-17 average cost per client as calculated below:

The FY 2016-17 estimated community based services cost is \$725,459. This number is composed of \$521,188 actuals through May 2017 plus the June 2017 projection of \$204,271.

$$\$725,459 / 83 \text{ (community-based clients)} = \$8,740.47 \text{ FY 2018-19 estimated average cost per client.}$$

The Department assumes the FY 2018-19 costs will be the same as the FY 2016-17 estimated average cost per client.

The Department assumes that the number of community based clients will increase by 4.8%. In FY 2017-18 the Department estimates that 83 community based clients will be served. The projected increase in the number of clients in FY 2018-19 will be calculated as follows:

$$83 \text{ clients served} \times 4.8\% = 3.9 \text{ clients rounded to 4 additional clients to be served.}$$

The Department assumes that because of the high needs of the families and children that these placements will have an average length of stay of 365 days.

Table 3 illustrates the calculations for FY 2018-19 and FY 2019-20.

Table 3: Child Mental Health Treatment Act Calculations for FY 2018-19 and FY 2019-20						
A	B	C	D	E	F	G
FY 2018-19 and FY 2019-20 Residential Services Calculations						
	Number of Developmentally Disabled/Intellectually and Developmentally Disabled (DD/IDD) Children to be Served	Average Per Diem Cost	Days of Service Annually	Total Annual Cost (BxCxD)	Less: Avg. Monthly Parental Fee of \$518 (\$518x12xB)	Total Projected Cost for DD/IDD Children
1.	Four Children	\$400	365	\$584,000	\$24,864	\$559,136
	Number of Mental Health Only Children to be Served in Residential Care					
2.	Two Children (See Table 1)	\$189	182.5	\$68,985	\$12,432	\$56,553
	Total FY 2018-19 Residential Costs					\$615,689
FY 2018-19 and FY 2019-20 Community Based Services Calculations						
			Avg. Cost Per Year Per Child	Total Annual Cost		Total Projected Cost Community Services Children
	4.5% increase in Children served with Community Base Services					
3.	Four (4) Children		\$8,740	\$34,961		\$34,962
	Total FY 2018-19 Request					\$650,651

Table 4 illustrates the implementation timeline.

Table 4: Implementation Timeline	
Task/Action	Timeframe
Award and Draft Contracts	April 2018
Route for Signature	May 2018
Begin Contractual Services	July 1, 2018
Provide training and outreach to county departments of child welfare	April 2018-June 2019

Table 5 illustrates the placement of the Long Bill appropriation and requested funding.

Table 5: Long Bill Appropriation and Requested Funding for FY 2018-19 Through FY 2020-21						
Line Item: (8) Office of Behavioral Health, (B) Community-based Mental Health Services, Mental Health Treatment Services for Youth (H.B. 99-1116)	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2017-18 Appropriation (SB 17-254)	\$1,093,969	\$664,408	\$304,205	\$125,356	\$0	0.0
Requested Funding (or Spending Authority)	\$650,651	\$650,651	\$0	\$0	\$0	0.0
FY 2018-19 Total Requested Appropriation	\$1,744,620	\$1,315,059	\$304,205	\$125,356	\$0	0.0
FY 2019-20 Annualization of Prior Year Funding	\$0	\$0	\$0	\$0	\$0	0.0
FY 2019-2020 Total Requested Appropriation	\$1,744,620	\$1,315,059	\$304,205	\$125,356	\$0	0.0
FY 2020-2021 Annualization of Prior Year Funding	\$0	\$0	\$0	\$0	\$0	0.0
FY 2020-2021 Total Requested Appropriation	\$1,744,620	\$1,315,059	\$304,205	\$125,356	\$0	0.0