Department of Planning and Budget
2017 Fiscal Impact Statement

1. Bill Number: HB1549

House of Origin	☒	Introduced	☐	Substitute	☐ Engrossed
Second House	☐	In Committee	☐	Substitute	☐ Enrolled

2. Patron: Farrell

3. Committee: Appropriations

4. Title: Community services boards and behavioral health authorities; services to be provided.

5. Summary: Provides that the core of services provided by community services boards and behavioral health authorities shall include, effective July 1, 2018, (i) same-day access to mental health screening services and (ii) outpatient primary care screening and monitoring services for physical health indicators and health risks and follow-up services for individuals identified as being in need of assistance with overcoming barriers to accessing primary health services. The bill provides that the core of services provided by community services boards and behavioral health authorities shall additionally include, effective July 1, 2021, crisis services for individuals with mental health or substance use disorders; outpatient mental health and substance abuse services; psychiatric rehabilitation services; peer support and family support services; mental health services for certain members of the armed forces and veterans; care coordination services; and case management services, including targeted mental health case management services. The bill also requires the Department of Behavioral Health and Developmental Services to report annually regarding progress in the implementation of this act.

6. Budget Amendment Necessary: No. Funds associated with the requirements for the 2017-2018 biennium are included in the Governor's introduced budget.

7. Fiscal Impact Estimates:

7a. Expenditure Impact:

Fiscal Year	*Dollars*	*Positions*	*Fund*
2017	$0	0	General
2018	$12,712,250	0	General
2018	$1,332,750	0	Nongeneral Fund
2019	$62,537,540	0	General
2019	$2,570,000	0	Nongeneral Fund
2020	$53,805,704	0	General
2020	$2,570,000	0	Nongeneral Fund
2021	$166,820,000	0	General
2021	$24,620,000	0	Nongeneral Fund
2022	$152,410,000	0	General
2022	$24,620,000	0	Nongeneral Fund

2023	$152,410,000	0	General
2023	$24,620,000	0	Nongeneral Fund

8. **Fiscal Implications:** The language of the bill requires community services boards (CSBs) to provide same day access to mental health screening and outpatient primary care screening and monitoring services by FY 2019. Furthermore, the bill requires CSBs to provide crisis services for individuals with mental health or substance use disorders; outpatient mental health and substance abuse services; psychiatric rehabilitation services; peer support and family support services; mental health services for certain members of the armed forces and veterans; care coordination services; and case management services, including targeted mental health case management services by FY 2022.

Same Day Access

In order for the Department of Behavioral Health and Developmental Services (DBHDS) to bring forty CSBs online to provide same day access services, it has been determined that a phase-in approach would be necessary across FY 2018 and FY 2019. Even with full funding, it is anticipated that not all 40 CSBs will have the capability of providing same-day access by July 1, 2018. Therefore, as a result of more than a year's work and research under the Substance Abuse and Mental Health Services Administration's (SAMHSA) federal planning grant for Certified Community Behavioral Health Centers (CCBHCs), DBHDS has determined that an incremental, best-practices approach would provide the most comprehensive and cost-effective solution to providing same-day access in Virginia. The best-practices model calls for a six month consultation process to outline operational inefficiencies, the addition of necessary clinical staff, and minimal additions of intake specialists, as needed. The model specifically works to generate efficiencies at the CSBs, so current staff levels could potentially handle more intakes and would require minimal staff additions. This methodology assumes that an average of four additional clinicians and one intake specialist would need to be added per CSB to implement the best practices model. It assumes the minimum staff additions would include two clinicians and one intake specialist. The maximum number of staff additions would be seven clinicians and two intake specialists (only three CSBs are projected to receive this level of staff additions).

The staffing need projections are based on a bell curve. It's assumed that the average CSB will need four clinicians and one intake specialist. The remainder of the bell curve is as follows:

- Four CSBs (already implementing model): two clinicians and one intake position
- Three additional CSBs: two clinicians and one intake specialist
- Six CSBs: three clinicians and one intake specialist
- 18 CSBs: four clinicians and one intake specialist
- Six CSBs: six clinicians and one intake specialist
- Three CSBs: seven clinicians and two intake specialists

The following costs were used to calculate the general fund needs:

Clinician: $92,000 per year (153 total) = $14,076,000
Intake Specialist: $58,000 per year (39 total) = $2,262,000
Cost of Consultation: $20,000 (36 total) = $720,000

This model to meet the legislative requirements proposes a phase-in approach that allows for a six-month consultation followed by funding for additional clinicians and intake specialists as needed. The proposed timeline for implementation is as follows:

1. 25 CSBs online in FY 2018
2. 15 additional CSBs online in FY 2019

It is important to note that not all of the costs of bringing on 25 boards are reflected immediately in FY 2018. This is because additional staff only comes online after the prerequisite consultation. Therefore, many of the 25 boards are showing only partial-year staff costs in 2018.

The costs associated with the requirements of the bill would itemize out to the following in FY 2019 – FY 2020.

- $11,305,988 for continuing cost of 25 boards brought on in FY 2018
- $6,000,000 to bring on 15 additional boards
- $17,600,000 to bring Primary Care integration to 40 CSBs

Note, the figures above represent all funds. It is estimated that 30 percent of initial evaluations will be Medicaid eligible. The general fund costs of these services are reflected in the FY 2019 total in 7a. Funding would be dispersed to CSBs based on this phase-in schedule.

Other Services

The estimated cost of the remainder of the service requirements outlined in the legislation is based on DBHDS' paticipation in the federal Substance Abuse and Mental Health Services Administration planning grant for Certified Community Behavioral Health Centers. The information gathered by the agency through that grant indicates that the cost of implementation is as follows, with an assumption of Medicaid reimbursement for a portion of the costs where eligible:

	FY 2018		FY 2019		FY 2020		FY 2021		FY 2022+	
	GF	NGF	GF	NGF	GF	NGF	GF	NGF	GF	NGF
Same Day Access	$ 8.21	$ 1.33	$ 14.71	$ 2.60	$ 14.71	$ 2.60	$ 14.71	$ 2.60	$ 14.71	$ 2.60
Outpatient Services*	$ -	$ -	$ -	$ -	$ -	$ -	$ 41.65	$ 7.35	$ 41.65	$ 7.35
Primary Care Integration	$ -	$ -	$ 17.60	$ -	$ 17.60	$ -	$ 17.60	$ -	$ 17.60	$ -
Detoxification	$ -	$ -	$ -	$ -	$ -	$ -	$ 4.05	$ 4.05	$ 4.05	$ 4.05
Care Coordination	$ -	$ -	$ -	$ -	$ -	$ -	$ 18.40	$ -	$ 18.40	$ -
Peer Services	$ -	$ -	$ -	$ -	$ -	$ -	$ 7.38	$ 1.30	$ 7.38	$ 1.30
Psychosocial Rehab/Skill Building	$ -	$ -	$ -	$ -	$ -	$ -	$ 5.21	$ 0.92	$ 5.21	$ 0.92
Targeted Case Management	$ -	$ -	$ -	$ -	$ -	$ -	$ 6.87	$ 1.21	$ 6.87	$ 1.21
Veterans Services	$ -	$ -	$ -	$ -	$ -	$ -	$ 4.73	$ 0.84	$ 4.73	$ 0.84
Person-Centered Treatment	$ -	$ -	$ -	$ -	$ -	$ -	$ 1.14	$ 1.14	$ 1.14	$ 1.14
Mobile Crisis Services	$ -	$ -	$ -	$ -	$ -	$ -	$ 29.68	$ 5.23	$ 29.68	$ 5.23
Subtotal	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Additional Infrastructure Needs++	$ 4.50	$ -	$ 30.22	$ -	$ 21.50	$ -	$ 15.40	$ -	$ 0.99	$ -
TOTAL	$ 12.71	$ 1.33	$ 62.53	$ 2.60	$ 53.81	$ 2.60	$ 166.82	$ 24.64	$ 152.41	$ 24.64

* Outpatient services includes STEP-VA services medication assisted treatment and in-home children's services

++ The costs for additional infrastructure needs, as provided by DBHDS, include data service integration and consumer technology, ongoing system design, implementing performance-based contracts, and critical support staff and analysts. The amounts included in FY 2022 are the ongoing administrative costs of maintaining changes to the system. The estimates for infrastructure costs are preliminary and will be reevaluated as system analysis, design and implementation progress.

Included in the estimates for infrastructure needs is $4.5 million for a comprehensive current state analysis and gap study to begin in FY 2018. The completion of this study will further inform the estimates on the cost of the additional services required by this legislation and identify areas of need both in the administration of the transformed system and in the provision of expanded direct services. Funds for this study were included in the governor's introduced budget.

Because the language of the bill indicates that primary care screening services would become CSB core services by FY 2019, the costs of same day access and primary care integration services are present in FY 2019 –FY 2020 costs in the table listed under the expenditure impact in 7.a above. The cost of the remainder of services is reflected in FY 2021 costs in order that services can be online according to the second enactment clause by FY 2022.

9. **Specific Agency or Political Subdivisions Affected:** Department of Behavioral Health and Developmental Services, Community Services Boards; Department of Medical Assistance Services.

10. **Technical Amendment Necessary:** No

11. **Other Comments:** This bill is a companion to SB1005.