

HF1938 - 2A - "Modify Chemical and Mental Health Svc Prov"

Chief Author: **Dave Baker**
 Committee: **Health and Human Services Finance**
 Date Completed: **03/23/2017**
 Agency: **Human Services Dept**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology	X	
Local Fiscal Impact	X	

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2017	FY2018	FY2019	FY2020	FY2021
General Fund	-	273	(1,209)	(804)	7,986	
Restrict Misc. Special Revenue	-	276	214	23	(905)	
Total	-	549	(995)	(781)	7,081	
Biennial Total			(446)		6,300	

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2017	FY2018	FY2019	FY2020	FY2021
General Fund	-	2	3	3	3
Restrict Misc. Special Revenue	-	-	-	-	-
Total	-	2	3	3	3

Executive Budget Officer's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with MMB's Fiscal Note policies.

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State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands	FY2017	FY2018	FY2019	FY2020	FY2021	
General Fund	-	273	(1,209)	(804)	7,986	
Restrict Misc. Special Revenue	-	276	214	23	(905)	
Total	-	549	(995)	(781)	7,081	
			(446)		6,300	
1 - Expenditures, Absorbed Costs*, Transfers Out*						
General Fund	-	273	(1,209)	(804)	7,986	
Restrict Misc. Special Revenue	-	276	377	362	362	
Total	-	549	(832)	(442)	8,348	
			(283)		7,906	
2 - Revenues, Transfers In*						
General Fund	-	-	-	-	-	
Restrict Misc. Special Revenue	-	-	163	339	1,267	
Total	-	-	163	339	1,267	
			163		1,606	

Bill Description

This bill reforms and transforms Minnesota's Substance Use Disorder (SUD) care system and access process by making the following changes:

Direct Access

This bill will permit an individual to go directly to a service provider to receive an assessment for SUD treatment services. The assessor will determine the need, intensity and duration of services, but the choice of provider will be with the client.

Enhancing Detoxification/Withdrawal Management Services

This bill adds two new levels of detoxification/withdrawal management services, "clinically managed" and "medically monitored", to Minnesota's SUD benefit set, including under Medical Assistance and MinnesotaCare.

Clinically Managed withdrawal management services include an initial health assessment and 24 hour medical evaluation and consultation with a licensed practical nurse, and availability to access 24 hour emergency consult with a medical director or delegated licensed practitioner.

Medically Monitored withdrawal management services include an initial health assessment and 24 hour medical evaluation and consultation with a registered nurse, and meeting with a medical director or delegated licensed practitioner within 24 hours of admission or sooner if medically necessary, and availability of the medical director or delegated licensed practitioner to provide on-site monitoring seven days a week.

Licensing standards for these two new levels of withdrawal management services were enacted during the 2015 session. This bill establishes a rate methodology and provides the state funding necessary to implement these new services as Medical Assistance benefits.

Peer Recovery Support Services

This bill adds Peer recovery support services to Minnesota's SUD benefit set, including under Medical Assistance, and includes licensed SUD treatment programs, withdrawal management programs, and recovery community organizations as eligible providers.

Care Coordination

This bill adds Care Coordination to Minnesota's SUD benefit set, including under Medical Assistance.

Direct Reimbursement

This bill adds new criteria to allow appropriately-credentialed individual clinicians to bill directly for SUD treatment services in primary care settings, schools, jails, etc.

IMDs, Residential Treatment and Payment Rate Reform

The bill appropriates funds for a study to create recommendations for developing treatment models and a payment structure for residential SUD treatment that will not be subject to the IMD exclusion and that will be financially sustainable for providers. A report with recommendations will be delivered to the legislature by December 15, 2018.

The bill requires DHS to contract with an outside expert to identify recommendations for the development of a substance use disorder residential treatment program model and payment structure, with a report due to the legislature by December 15, 2018.

Assumptions

Implementation Timeline

September 2017

- DHS submit proposed SPA to CMS to include comprehensive assessment, peer recovery support, and care coordination in the state's Medicaid benefit set.
- DHS issues request for proposals (RFP) for a contracted vendor to conduct the analysis on residential treatment and payment rate reform.

September 2017 July 2018

- Provide technical assistance to programs across the state on the direct access process, comprehensive assessments, peer support services and care coordination.
- Provide trainings across the state and technical assistance to placing authorities, individual professionals and programs on the use of comprehensive assessments to accomplish the combined functions of service authorization and treatment plan development. Work with counties, health licensing boards, providers, and educational programs to support and encourage increased capacity across the state, including through the use of increased utilization of telehealth opportunities.
- Begin to provide education, technical assistance and other support to providers interested in transitioning current Rule 32/detoxification programs to the Withdrawal Management level of care.

July 1, 2018

- Upon approval of the SPA, begin reimbursement of comprehensive assessment, care coordination and peer support services. Continue technical assistance and begin monitoring for compliance and quality assurance.
- Begin new access process and continue technical assistance to providers while continuing to allow Rule 25 assessments to accomplish service authorizations.

September 2018 July 2019

- DHS submit proposed SPA to CMS to include withdrawal management services in the state's Medicaid benefit set.
- Continue technical assistance to programs across the state as needed on the direct access process, comprehensive assessments, peer support services and care coordination.
- Provide technical assistance to transitioning or new programs that will provide withdrawal management level of services upon CMS approval.

December 15, 2018

- DHS issues report to legislature with finding and recommendations from contracted vendor on residential treatment

models and payment rate reform.

July 1, 2019

- Withdrawal management services operational in the state and eligible for Medicaid reimbursement.

Rulemaking

Based on the published 2016 Estimated Rulemaking costs, these additional costs will be incurred in the process of incorporating the new SUD program standards for treatment programs through rulemaking. These cost estimates are based on current statutes and rules governing the rulemaking process for a “medium rule” size.

	Medium Rule
Staffing Costs	
Program staff (\$40 w/fringe)	62,420
Rules staff (\$40 w/fringe)	41,600
Clerical support (\$26 w/fringe)	5,200
**Office of Administrative Hearings	
Admin. Law Judge (\$170/hour)	8,500
Filing Fee	50
**State Register (\$102/page)	
Request for Comments	204
Notice of Intent to Adopt Rules (with rule text published)	2,550
Notice of Adoption (without rule text published)	60
Miscellaneous	
Mailings	694
Duplicating	825
Transcripts	750
Committee costs, outstate meetings	200
TOTAL Estimated Costs	\$123,033

DHS Staff

This bill will require the addition of 3 FTEs:

- One FTE for Licensing division. The addition of Withdrawal Management services will entail additional programs and compliance monitoring, which will require an additional one FTE once these services are added to the State Plan Amendment.
- One FTE in Alcohol and Drug Abuse Division for support to data collection operations and training and technical support to providers doing data entry in the state’s data collection systems.
- One FTE for Alcohol and Drug Abuse Division for evaluation work.

MMIS work will be necessary to facilitate the direct access process for treatment service authorizations and to process claims for comprehensive assessment, care coordination and peer support services. Much of the systems work is already in development to support the ongoing work of the Model of Care pilots. However, there will be additional systems work required prior to statewide implementation and for the addition of the billing codes for withdrawal management services

Based on prior studies of similar size and scope, DHS will require \$150,000 in SFY 18 and \$150,000 in SFY 19 to complete the study and report. This is one-time funding.

Expenditure and/or Revenue Formula

Fiscal Summary		FY 2018	FY 2019	FY 2020	FY 2021
A. Comprehensive Assessments					
Net CD Fund Cost	BACT 35		\$(2,097,576)	\$(2,586,316)	\$(2,638,910)
MA federal share to admin. revenue	DED REV		\$(86,863)	\$(145,505)	\$(153,598)
B. Care Coordination & Peer Recovery Support for Treatment Population					
Net CD Fund Cost	BACT 35		\$657,433	\$236,461	\$(1,126,310)
MA federal share admin. revenue	DED REV		\$(75,921)	\$(33,801)	\$113,973
C. Clinically Managed Withdrawal Management (Level 3.7)*					
Net CD Fund Cost	BACT 35		\$ -	\$ -	\$4,622,454
MA federal share to admin. revenue	DED REV		\$ -	\$ -	\$(494,309)
D. Medically Monitored Withdrawal Management (Level 3.2)*					
Net CD Fund Cost	BACT 35		\$ -	\$1,530,335	\$7,112,571
MA federal share to admin. revenue	DED REV		\$ -	\$(159,229)	\$(733,041)
		FY 2018	FY 2019	FY 2020	FY 2021
Grand Total					
Net CD Fund Cost	BACT 35		\$(1,440,143)	\$(819,520)	\$7,969,805
MA federal share to admin. revenue	DED REV		(\$162,784)	(\$338,535)	(\$1,266,975)

*the costs of Care Coordination and Peer Recovery Support for these populations are contained within these costs.

Systems Changes

Systems costs are included for project management, MMIS procedure and claims code changes, testing, and forms. The cost also includes a business analyst to complete the requirements and documentation. Implementation costs of \$81,000 will occur in SFY 2019, with on-going annual maintenance costs of \$16,000 beginning in SFY 2020.

	Hours	Total Cost	State Share @29%
Project Management/Analysis	1,716	\$105,390	
Mainframe Development	500	\$41,875	
CHATS/Danes	500	\$41,875	
Forms changes	120	\$10,050	
QA Testing	1,190	\$78,707	
Total Implementation Costs FY2019	4,026	\$277,897	\$80,590
Annual ongoing maintenance costs (FY2020 and FY2021)		\$55,579	\$16,118

Fiscal Tracking Summary (\$000's)						
Fund	BACT	Description	FY2018	FY2019	FY2020	FY2021
GF	35	Consolidated CD Treatment Fund (CCDTF)	0	(1,440)	(820)	7,970
DED	REV	Revenue to CCDTF Admin Acct	0	(163)	(339)	(1,267)
DED	15	ADAD Admin	276	377	362	362
GF	11	System changes-MMIS state share	0	81	16	16
GF	15	ADAD Rulemaking & Study	273	150	0	0
		Total Net Fiscal Impact	549	(995)	(781)	7,081
		Full Time Equivalents	2	3	3	3

Long-Term Fiscal Considerations

The changes will be incorporated into the Consolidated CD Treatment Fund (CCDTF) forecast.

Local Fiscal Impact

Counties will continue to pay a share of costs, but the overall impact of the changes should be a decrease in county costs for the combined services.

References/Sources

Jill Roberts, Community Supports Administration

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