

MHDS Regional Services Fund



Purpose

The Mental Health and Disability (MHDS) Regional Services Fund was newly created in Iowa Code section 225C.7A. In addition to the amount levied by counties, the fund will provide money for non-Medicaid core mental health and disability services and the increased cost of providing those services.

Who Is Helped

This is a new fund that will receive an appropriation beginning in SFY14.

This fund is designed to support current and new core services to adults 18 years and older:

- With a mental illness or an intellectual disability.
- Who are not eligible for Medicaid or need services that are not reimbursed by Medicaid.
- Who have an income at or below 150 percent of the federal poverty level.

No data exists at this time to specifically identify the people who will be served. However it is very likely the people served will be similar to individuals currently served through the current State Payment Program (SPP).

A typical individual is in his 40s, lives in a private residence, has a mental illness, has a high school diploma or GED, and is unemployed.

In SFY14 this fund will be provided to counties, in addition to the amount the counties levy in property taxes, and used for:

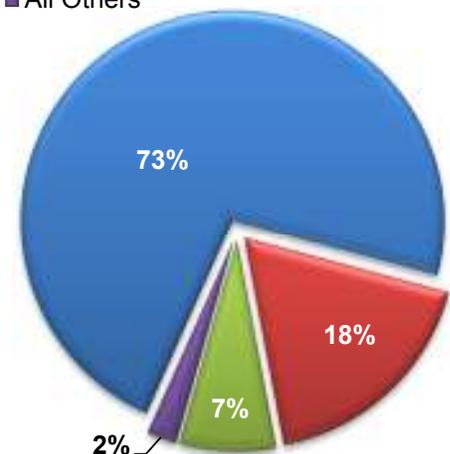
- Final SPP claims from SFY13.
- Non-Medicaid services in the counties' management plans.
- The increased cost of providing non-Medicaid funded services, i.e. growth.

In SFY15 this fund will be provided to the regions and used for:

- Required core MHDS services.
- The increased cost of providing services.
- Funding for new additional core services.

Projected Percentage of Individuals to be Served by Diagnosis in SFY14

- Mental Illness
- Chronic Mental Illness
- Intellectual Disabilities
- All Others



- ✓ *On July 1, 2013, residency replaces durational legal settlement as the method for determining financial responsibility for non-Medicaid funded services. At that point nearly all persons currently on the SPP will have a county of responsibility determined for funding their services.*

<p>Services</p>	<p>SFY14 Funding will provide state financial assistance to counties for services in the counties' management plans including:</p> <ul style="list-style-type: none"> • Residential support. • Vocational programs. • Mental health treatment. • Institution and commitment services. <p>SFY15 Funding will provide state financial assistance to regions for:</p> <ul style="list-style-type: none"> • Required core services. • New additional core services, the regions will be required to provide when funds are made available: <ul style="list-style-type: none"> ○ Comprehensive crisis services. ○ Pre-commitment screening. 	<p>Funding for Non-Medicaid Services</p> <table border="1"> <caption>Funding for Non-Medicaid Services (Millions)</caption> <thead> <tr> <th>Fiscal Year</th> <th>County Non-Medicaid Funds</th> <th>State Payment Program</th> <th>Growth</th> <th>Regional Services Fund</th> <th>New Core Services</th> </tr> </thead> <tbody> <tr> <td>SFY10</td> <td>125</td> <td>10</td> <td>0</td> <td>0</td> <td>5</td> </tr> <tr> <td>SFY11</td> <td>135</td> <td>10</td> <td>0</td> <td>0</td> <td>10</td> </tr> <tr> <td>SFY12</td> <td>125</td> <td>10</td> <td>0</td> <td>0</td> <td>5</td> </tr> <tr> <td>SFY13 est</td> <td>120</td> <td>10</td> <td>0</td> <td>0</td> <td>5</td> </tr> <tr> <td>SFY14 est</td> <td>120</td> <td>10</td> <td>0</td> <td>5</td> <td>5</td> </tr> <tr> <td>SFY15 est</td> <td>120</td> <td>10</td> <td>0</td> <td>5</td> <td>15</td> </tr> </tbody> </table>	Fiscal Year	County Non-Medicaid Funds	State Payment Program	Growth	Regional Services Fund	New Core Services	SFY10	125	10	0	0	5	SFY11	135	10	0	0	10	SFY12	125	10	0	0	5	SFY13 est	120	10	0	0	5	SFY14 est	120	10	0	5	5	SFY15 est	120	10	0	5	15
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	<ul style="list-style-type: none"> ✓ <i>MHDS redesign legislation requires core services including treatment, basic crisis services, support for community living, support for employment, recovery services, and service coordination.</i> ✓ <i>DHS estimated the cost of county administration at approximately \$22 million in SFY11.</i> ✓ <i>Counties have not received growth in non-Medicaid funding in the last two years.</i> 																																											
<p>Goals & Strategies</p>	<p>Goal: promote behavioral health status. Strategies:</p> <ul style="list-style-type: none"> • Provide access to mental health services. • Promote development of array of critical mental health services. <p>Goal: promote choice for seniors and persons with disabilities. Strategy:</p> <ul style="list-style-type: none"> • Promote access to community based options for persons with disabilities. <p>Goal: Program accountability: Strategy:</p> <ul style="list-style-type: none"> • Mental health and disability regional services funding will be awarded through performance-based contracts that will require regions to address outcomes and performance measures. 	<p>Performance Results:</p> <p>Outcome and performance measures will be reported in SFY14.</p> <p>MHDS redesign legislation requires that outcome and performance measures be established and publicly reported.</p>																																										

	<ul style="list-style-type: none"> • Measures include but are not limited to: <ul style="list-style-type: none"> ○ Access standards for the required core services. ○ Penetration rates for serving the number of persons expected to be served. ○ Utilization rates for inpatient and residential treatment. ○ Readmission rates for inpatient and residential treatment. ○ Employment of the persons receiving services. 							
	<ul style="list-style-type: none"> ✓ <i>The Outcomes Workgroup will recommend additional outcome and performance measures that will serve as the basis for assessing the effectiveness and efficiency of the MHDS service system beginning SFY14.</i> ✓ <i>Beginning in SFY15 the regions will prepare regional service plans identifying the numbers of persons to be served, services to be offered and results to be accomplished. At this time the department will enter performance based contracts with the regions.</i> 							
<p>Cost of Services</p>	<ul style="list-style-type: none"> ✓ <i>The MHDS regional services fund will augment the \$125 million raised by the counties' MHDS levy. The total amount will equal \$139.5 million in SFY14 and \$162.3 million in SFY15.</i> 							
<p>Funding Sources</p>	<p>The budget request for the MHDS Regional Services Fund for SFY14 reflects a state general fund appropriation and Social Services Block Grant (SSBG) funding. This funding will support non-Medicaid MHDS county management plan services growth in the cost of these services and, in SFY15, new core services.</p> <p>The total budget for SFY14 total budget is \$13,383,073:</p> <ul style="list-style-type: none"> • \$11,423,073 (85.4 percent) is SSBG to support county services. • \$1,960,000 (14.6 percent) is state general fund for growth in county services. • \$1,122,842 of SSBG funding will be retained by the department to settle final SFY13 SPP claims. <p>The total budget for SFY15 total budget is \$37,270,915:</p> <ul style="list-style-type: none"> • \$12,545,915 (33.7 percent) is to support county services. • \$3,950,000 (10.6 percent) is state general fund for growth in county services. • \$20,775,000 (55.7 percent) is state general fund for new additional core services. 	<p style="text-align: center;">SFY14 Funding</p> <p style="text-align: center;">■ State General Fund ■ Federal</p> <table border="1"> <caption>SFY14 Funding Data</caption> <thead> <tr> <th>Funding Source</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>State General Fund</td> <td>15%</td> </tr> <tr> <td>Federal</td> <td>85%</td> </tr> </tbody> </table>	Funding Source	Percentage	State General Fund	15%	Federal	85%
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	<ul style="list-style-type: none"> ✓ <i>The amount of county levy funds is capped by Iowa Code at \$125 million annually.</i> ✓ <i>The use of Social Services Block Grant (SSBG) is governed by federal rules and the state plan.</i> ✓ <i>SSBG funds are part of the sequestered funds that will be cut if Congress does not agree on a comprehensive budget approach.</i> 							

SFY 2014 & 2015 Budget Drivers

The total SFY14 budget request reflects a \$1,960,000 general fund appropriation. This is a new fund so there was no direct appropriation in SFY13. The FY 15 budget request is a \$22,765,000 general fund increase over SFY14.

The key budget drivers for the increases are:

- Growth of non-Medicaid MHDS county management plan services and, in SFY15, new core services

When including SSBG funding that will support county services, SFY14 is a \$1,960,000 (16 percent) increase in state support for county funded services.

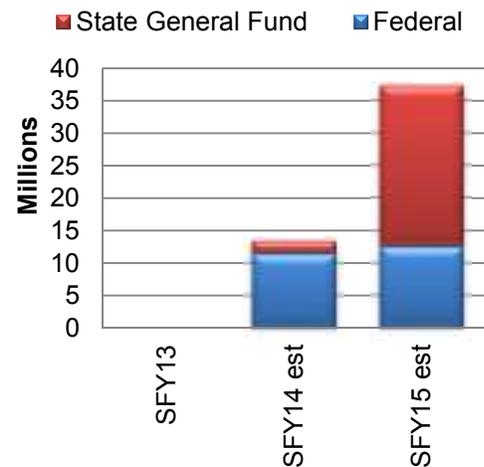
- The general fund recommendation for growth was based on the current (June 2012) consumer price index (CPI) for all items. The recommended amount was determined by applying the CPI to the total amount of non-Medicaid funding in SFY13, excluding estimated administrative costs.
- The bottom line reflects an overall increase of 1.4 percent when county funds are included in the calculation.

SFY15 reflects support for county services growth, as well as the implementation of new core services. From SFY14 to SFY15, there is a \$22,765,000 (157 percent) increase in state support for county funded services.

- Growth in county funded services was calculated using the same methodology as described above for SFY14.
- Cost of added core MHDS services was based on the cost estimates included in the DHS MHDS redesign final report.
- The overall increase in funding is 18 percent when county funds are included in the calculation.

- ✓ *In SFY13 the counties were relieved of the responsibility of providing the non-federal share of Medicaid. In recent years the growth in the non-federal share of Medicaid paid by the counties exceeded growth in state funding to the counties.*

Total Budget Funding Mix



Legal Basis

State:

- Iowa Code, Chapter 225C.7A