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FISCAL NOTE

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Prime Sponsors: Rep. Herod; Pelton
Sen. Garcia

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Bill Status: House Public Health
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Bill Topic: BEHAVIORAL HEALTH SUPPORTS FOR HIGH-RISK FAMILIES

- Summary of Fiscal Impact:
- State Revenue (minimal)
- State Expenditure
- State Diversions
- TABOR Refund
- Local Government
- Statutory Public Entity

This bill increases access to substance use disorder treatment and support for pregnant women and new mothers. The bill will increase state expenditures from FY 2019-20 to FY 2021-22; create an ongoing state diversion; and may increase state revenue from gifts, grants, and donations, and local government workload.

Appropriation Summary: For FY 2019-20, this bill requires an appropriation of \$500,000 to the Department of Human Services.

Fiscal Note Status: This fiscal note is preliminary and reflects the introduced bill. While all agencies were canvassed for this fiscal note, additional time may be required to obtain information from agencies and to further review information previously submitted. The fiscal note will be updated if new or additional information becomes available.

Table 1
State Fiscal Impacts Under HB 19-1193

Table with 3 columns: Category, FY 2019-20, FY 2020-21. Rows include Revenue, Expenditures (General Fund, Centrally Appropriated, Total), Total FTE, Diversions, and TABOR Refund.

Summary of Legislation

In order to increase access to substance use disorder treatment and support for pregnant women and new mothers, this bill:

- creates a pilot program to award grants for urban, rural, and centralized child care navigation services, and for a mobile child care service pilot at three treatment centers, overseen by the Department of Human Services (DHS), as discussed further below;
- creates a cash fund to support increased substance and behavioral treatment capacity, to be administered by the Office of Behavioral Health (OBH) in DHS, which divert reversions of previous appropriations from various sources, as discussed further below;
- authorizes the Department of Health Care Policy and Financing (HCPF) to seek a federal waiver to allow pregnant and one-year postpartum women to further access substance use disorder treatment, and authorizes DHS to use state funds to provide residential substance use disorder treatment to this population;
- expands criminal protections for women who disclose substance use during pregnancy while seeking or participating in treatment;
- encourages health practitioners and county departments of human or social services to identify and refer high-risk pregnant and one-year postpartum women for a needs assessment; and
- requires facilities providing substance use disorder services that also offer child care services to begin treatment without requiring up-to-date medical records at the first appointment, instead allowing medical records to be submitted within 30 days of the initial treatment date.

Child Care Services and Substance Use Disorder Treatment Pilot Program. This bill creates the Child Care Services and Substance Use Disorder Treatment Pilot Program in the Department of Human Services (DHS) to provide child care services to children up to five years old of women engaged in substance use disorder treatment.

Specifically, the pilot program will provide three different grants:

- one grant will enhance existing child care resource and referral programs to provide increased child care navigation capacity at one rural and one urban site;
- one grant will enhance the capacity of the existing child care resource and referral program's centralized call center; and
- one grant will assist a public-private partnership pilot program to provide regional mobile child care to children under five years of age in at least three facilities that provide substance use disorder treatment to one-year postpartum women.

Under the bill, the pilot program is required to receive an annual General Fund appropriation of \$500,000 for three fiscal years from FY 2019-20 to FY 2021-22. The DHS must report to the General Assembly on the outcome of the pilot program before July 1, 2023.

High-Risk Families Cash Fund. This bill creates the continuously appropriated High-Risk Families Cash Fund for services to high-risk parents and children, to be administered by the OBH. Any unspent appropriations that are scheduled to revert from the following sources are to be credited to this cash fund instead:

- the Children and Youth Mental Health Treatment program in DHS;
- the Special Connections program in HCPF;
- the Increasing Access to Effective Substance Use Disorder Services program in DHS; and
- any money not expended for the pilot program in the bill.

Cash funds must be expended for one-time allocations to increase treatment capacity for high-risk families.

The DHS must report annually to the General Assembly on the fund's expenditures, its impact in increasing services for high-risk families, and related recommendations beginning on July 1, 2020.

State Revenue

The bill potentially increases state revenue to the High-Risk Cash Fund from gifts, grants, or donations; however, no sources have been identified at this time. Gifts, grants, and donations are exempt from TABOR revenue limits.

State Diversions

This bill requires money that would otherwise revert to the General Fund under current law to be diverted to the High-Risk Families Cash Fund. As discussed below, reversion amounts are variable and therefore have not been estimated in this fiscal note.

Children and Youth Mental Health Treatment Act. The Children and Youth Mental Health Treatment Act program receives an annual appropriation of \$1.8 million from the General Fund, Marijuana Tax Cash Fund, and reappropriated Medicaid funds, including federal funds. In recent years, the DHS and HCPF changed the way this program is utilized in order to serve high-needs intellectually and developmentally disabled children and youth. As a result, additional funding for the program was requested through the supplemental budget process for FY 2018-19 and FY 2019-20. The program was also expanded under House Bill 18-1094. In FY 2017-18, the program only reverted a portion of its federal Medicaid funding. The fiscal note assumes that the diversion of federal funds to another cash fund is not permissible, and that diversion from other fund sources will be minimal given the high need of the population served.

High Risk Pregnant Women Program — Special Connections. The Special Connections program is currently appropriated \$1.8 million in equal parts General Fund and federal funds. In the past several fiscal years, the Special Connections program has regularly reverted funding, nearly \$475,000 last fiscal year including \$237,340 in General Fund, for several reasons. Actual program expenditures have been increasing over the past several years, from about \$735,000 in FY 2015-16 to \$1.1 million in FY 2017-18. As a result, JBC staff recommended a continuation of current funding levels for the FY 2019-20 budget due to the critical nature of the service and the upward expenditure trend.

Increasing Access to Effective Substance Use Disorder Services Act. The Increasing Access to Effective Substance Use Disorder Services program is appropriated at approximately \$6.0 million from the Marijuana Tax Cash Fund. In FY 2016-17, the first year of the program, there was a significant reversion of funds, but in the past two fiscal years, managed services organizations providing substance use treatment have fully spent each annual appropriation.

Child Care Services and Substance Use Disorder Treatment Pilot Program. Any money not expended for the pilot program created under this bill may also revert to the High-Risk Families Cash Fund, but any such reversion is expected to be minimal.

State Expenditures

This bill will increase state expenditures by \$508,471 and 0.6 FTE in FY 2019-20, and \$508,758 and 0.6 FTE in FY 2020-21. These expenditure impacts are shown in Table 2 and discussed below.

**Table 2
 Expenditures Under HB 19-1193**

	FY 2019-20	FY 2020-21
Department of Human Services		
Personal Services	\$34,762	\$37,922
Operating Expenses and Capital Outlay Costs	\$5,273	\$570
Program Evaluation	\$24,750	\$12,750
Training Development and Dissemination	\$25,000	\$5,000
Call Center Pilot	\$102,554	\$110,940
Mobile Child Care Pilot	\$307,661	\$332,818
Centrally Appropriated Costs*	\$8,471	\$8,758
Total Cost	\$508,471	\$508,758
Total FTE	0.6 FTE	0.6 FTE

* Centrally appropriated costs are not included in the bill's appropriation.

Department of Human Services. The bill authorizes DHS to use up to 10 percent of the \$500,000 appropriation, or \$50,000, to cover its program administration costs.

- **Personal services.** The bill requires 0.3 FTE Project Manager to oversee call centers, mobile child care sites, and the contractors for evaluation and training, and 0.3 FTE Administrator to perform fiscal and contract management. These staff will also participate in determining eligibility and selection criteria for pilot program participants, promulgating rules, as necessary, and reporting to the legislature. First-year costs reflect the General Fund pay date shift.
- **Program evaluation.** The DHS will hire a contractor to perform the independent evaluation of the pilot program. The estimate assumes 330 hours of work at an hourly rate of \$75 in the initial FY 2019-20, based on evaluations of similar size and scope, and 170 hours ongoing through FY 2021-22.
- **Training development and dissemination.** The DHS will hire a contractor to develop training for and disseminate training to call center staff on information specific to pregnant and parenting women in substance use disorder treatment who need child care support. These costs are estimated at \$25,000 in the initial FY 2019-20, and \$5,000 ongoing.
- **Call centers pilot grant.** The fiscal note assumes that \$102,554 in FY 2019-20 and \$110,940 in FY 2020-21 will be designated from the bill's appropriation to provide contract staff support to centralized and on-site call centers. Costs for child care navigators working with the Strengthening Working Families Initiative are used as a proxy.

- **Mobile child care pilot grant.** The fiscal note assumes that \$307,661 in FY 2019-20 and \$332,818 in FY 2020-21 will be designated from the bill's appropriation to support the implementation of a mobile child care center at three residential treatment facilities. Costs for mobile child care services provided through the Garfield School District and Valley Settlement Project are used as a proxy.
- **High-Risk Families Cash Fund administration.** Workload will increase in the OBH to administer the new cash fund under the bill, which can be accomplished within existing appropriations.
- **State funds for needs assessment.** The bill authorizes DHS to use state funds to provide residential substance use disorder treatment to pregnant and postpartum women eligible under Medicaid. Until House Bill 18-1136 is fully implemented, as discussed in the HCPF section below, the fiscal note assumes this may shift funding for any services provided by DHS to this population.

Department of Health Care Policy and Financing. The department is currently in the process of implementing House Bill 18-1136, which added inpatient and residential substance use disorder treatment and medical detoxification services as a benefit under the Colorado Medicaid Program, and for which HCPF received federal approval. Any resources required to pursue further access to substance use disorder treatment for pregnant and postpartum women will be accomplished within the resources allocated under that bill and no change in appropriations is required.

Judicial Department. The bill's expansion of criminal protections for women who disclose substance use during pregnancy while seeking or participating in treatment is not expected to have a tangible impact on the Judicial Department.

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 \$8,471 in FY 2019-20 and \$8,758 in FY 2020-21.

Local Government

Workload and costs may increase for county departments of human or social services to conduct needs assessments and potentially follow up with services through existing programs.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State Appropriations

This bill requires a General Fund appropriation of \$500,000 to the Department of Human Services, and an allocation of 0.6 FTE.

State and Local Government Contacts

Counties
Human Services
Judicial
Public Health and Environment
Treasury

Health Care Policy and Financing
Information Technology
Law
Regulatory Agencies