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## FISCAL UPDATE Article

Fiscal Services Division

May 10, 2018



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Des Moines, Iowa 50319

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### END OF SESSION – HF 2456 – MENTAL HEALTH, COMPLEX SERVICES NEEDS WORKGROUP

[House File 2456](#) implements numerous changes relating to behavioral health, mental health, disability services, and substance abuse, including:

- Amending Iowa Code chapters [125](#) and [229](#), related to involuntary commitment, to require that if the report of a court-designated licensed physician or mental health professional indicates the subject of an application for involuntary commitment or treatment does not have a substance-related disorder or is not seriously mentally impaired, the court is required to terminate the proceeding and dismiss the application on its own motion and without notice. The respondent is also required to be released from detention prior to the commitment hearing.
- Amending Iowa Code chapter [135G](#), related to subacute health care facilities, to remove the conditions for issuing a license for a facility and the current 75-bed cap, and requiring the Department of Inspections and Appeals (DIA) to issue a license if the facility and staff are adequate to provide the care and services required of a subacute care facility.
- Amending Iowa Code chapter [228](#) to allow mental health professionals to share mental health information with law enforcement professionals.
- Amending Iowa Code chapter [229](#) to allow hearings to be held by video conference at the discretion of the court.
- Amending Iowa Code chapter [229](#) to allow for secure third-party transportation services contracted by a Mental Health and Disability Services (MHDS) region.
- Amending Iowa Code section [331.397](#) to require the following service domains to the extent that federal matching funds are available under the Iowa Health and Wellness Plan (IHAWP):
  - Access centers that are located in crisis residential and subacute residential settings with 16 beds or fewer that provide immediate, short-term assessments for persons with serious mental illness or substance use disorders who do not need inpatient psychiatric hospital treatment, but who do need significant amounts of supports and services not available in the persons' homes or communities.
  - Assertive community treatment services.
  - Comprehensive facility- and community-based crisis services, including mobile response, 23-hour crisis observation and holding, crisis stabilization community-based services, crisis stabilization residential services, and subacute services provided in facility- and community-based settings.
  - Intensive residential service homes for persons with severe and persistent mental illness in scattered-site community-based residential settings that provide intensive services and that operate 24 hours a day.

- Specifying that if a county switches regions, the county's historic budget-capped amount is used to calculate the new regional levy, similar to the process of calculating the regional levies when the regions were created.
- Directing the Department of Human Services (DHS) to adopt rules related to the new core services no later than October 1, 2018, and providing guidance and timelines for implementing those core services.
- Directing the DHS, in cooperation with the Department of Public Health (DPH) and other affected or interested stakeholders, to review the commitment processes under Iowa Code chapters [125](#) and [229](#) and to report recommendations for improvements in the processes to the Governor and the General Assembly by December 31, 2018.
- Directing the DHS, the DPH, and other affected or interested stakeholders to review the role of tertiary care psychiatric hospitals in the array of mental health services and to report recommendations for providing tertiary psychiatric services to the Governor and the General Assembly by November 30, 2018.

### **Fiscal Impact**

The increased utilization of services due to [HF 2456](#) is estimated to increase General Fund expenditures in FY 2019 by \$876,000, which was provided in [SF 2418](#) (FY 2019 Health and Human Services Appropriations Act), and by \$6.0 million in FY 2020. The startup and ongoing expenditures are estimated to cost the MHDS regions \$4.3 million in FY 2019 and \$10.0 million in FY 2020. A detailed breakdown of the estimated cost of each service is listed in **Table 1** below.

**Table 1 — Estimated Fiscal Impact of HF 2456**

	FY 2019			FY 2020		
	Total Federal, State, & Region	General Fund	Region Share	Total Federal, State, & Region	General Fund	Region Share
<b>Access Centers</b>						
Net Medicaid	\$ 112,908	\$ 45,242	\$ 0	\$ 3,089,902	\$ 1,238,124	\$ 0
Net Non-Medicaid	28,227	0	28,227	1,018,776	0	1,018,776
Total	\$ 141,134	\$ 45,242	\$ 28,227	\$ 4,108,678	\$ 1,238,124	\$ 1,018,776
<b>Assertive Community Treatment</b>						
Net Medicaid	\$ 494,315	\$ 198,072	\$ 0	\$ 3,907,120	\$ 1,565,583	\$ 0
Net Non-Medicaid	2,195,145	0	2,195,145	5,841,930	0	5,841,930
Total	\$ 2,689,460	\$ 198,072	\$ 2,195,145	\$ 9,749,050	\$ 1,565,583	\$ 5,841,930
<b>New Crisis Services</b>						
Net Medicaid	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Net Non-Medicaid	1,800,000	0	1,800,000	1,800,000	0	1,800,000
Total	\$ 1,800,000	\$ 0	\$ 1,800,000	\$ 1,800,000	\$ 0	\$ 1,800,000
<b>Subacute Services</b>						
Net Medicaid	\$ 676,800	\$ 271,194	\$ 0	\$ 2,340,800	\$ 937,959	\$ 0
Net Non-Medicaid	222,075	0	222,075	768,075	0	768,075
Total	\$ 898,875	\$ 271,194	\$ 222,075	\$ 3,108,875	\$ 937,959	\$ 768,075
<b>Intensive Residential Home Services</b>						
Net Medicaid	\$ 766,064	\$ 306,962	\$ 0	\$ 5,510,835	\$ 2,208,192	\$ 0
Net Non-Medicaid	79,375	0	79,375	571,000	0	571,000
Total	\$ 845,439	\$ 306,962	\$ 79,375	\$ 6,081,835	\$ 2,208,192	\$ 571,000
<b>All Recommendations</b>						
Net Medicaid	\$ 2,050,087	\$ 821,470	\$ 0	\$ 14,848,658	\$ 5,949,857	\$ 0
Net Non-Medicaid	4,324,822	0	4,324,822	9,999,781	0	9,999,781
DIA Inspection Costs	54,545	54,545	0	39,069	39,069	0
<b>Total</b>	<b>\$ 6,429,454</b>	<b>\$ 876,015</b>	<b>\$ 4,324,822</b>	<b>\$ 24,887,507</b>	<b>\$ 5,988,926</b>	<b>\$ 9,999,781</b>

Note: Totals may not sum due to rounding.

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