



[HF 690](#) – Behavioral Health System, Children (LSB1827HV)

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Fiscal Note Version – New

Description

[House File 690](#) establishes a Children's Behavioral Health System; a Children's Behavioral Health System State Board; eligibility requirements and core services; new duties of the Department of Human Services (DHS) Division of Mental Health and Disability Services; regional mental health services provided through the adult Mental Health and Disability Services (MHDS) system; and regional governance.

Background

In the FY 2019 Health and Human Services Appropriations Act (2018 Iowa Acts, ch. [1165](#)), the General Assembly requested a copy of the [Strategic Plan for a Children's Behavioral Health System](#) required by the Governor's [Executive Order Number Two](#), which created a Children's System State Board. The Strategic Plan included recommendations that could be acted on in the short and long term. The Strategic Plan envisioned a system that would be built upon the current adult MHDS system and that could have combined or separate boards, depending on funding. Funding from the General Fund or property tax levies would determine the overall representation and voting membership of the regional boards. Services for children would begin with a behavioral health screening. The timing, responsibility, and location of the screenings would be determined through the administrative rules process. The System would also be built to incorporate a full array of behavioral health core services and supports for children and their families. The work of the State Board and its upcoming meeting schedule can be found here: dhs.iowa.gov/about/mhds-advisory-groups/childrens-system-state-board.

Assumptions — Core Services

Crisis Residential

- There will be an average of 16 crisis residential beds in FY 2020 and an average of 62 beds in FY 2021.
- The MHDS Regions will be responsible for an average 20.0% of bed days that are vacant. Of the bed days that are filled, private insurance will cover 56.0% of children, Medicaid will cover 41.0% of children, and 3.0% of children will be uninsured and covered by the MHDS Regions.
- The per diem cost per bed day is \$360.19.
- The Medicaid match rate is 60.88% federal and 39.12% State.

Mobile Crisis Response

- Based on information provided by the East Central Iowa MHDS Region, 0.2% of all children in the Region use mobile crisis response per year. This estimate is extrapolated across all MHDS Regions.
- The cost per episode of care is \$1,231.

- The total number of children in Iowa is 731,947.
- Private insurance does not cover this service. Medicaid will cover 41.0% of children, 3.0% of children will be uninsured and covered by the MHDS Regions, and the remaining 56.0% of children will be covered by private insurance.
- The Medicaid match rate is 60.88% federal and 39.12% State.

Prescribing and Medication Management

- Only medication management for children with a serious emotional disturbance (SED) will be included.
- This service will likely be for children between 10 and 18 years of age.
- Both private insurance and Medicaid currently cover this service. The MHDS Regions will be responsible for uninsured children.
- There will be 503 uninsured children with an SED who will require this service and will receive eight half-hour visits at \$74 per half hour annually.
- The MHDS Regions currently provide approximately \$6,093 for this service.

Therapy

- Only therapy for children with an SED will be included.
- Both private insurance and Medicaid currently cover services. The MHDS Regions will be responsible for uninsured children.
- There will be 503 uninsured children with an SED who will require this service and will receive 21 visits annually at \$74 per visit.
- The MHDS Regions currently provide approximately \$188,266 for this service.

Assessment for Eligibility

- Assessments will be available for children of all ages.
- Both private insurance and Medicaid currently cover this service. The MHDS Regions will be responsible for uninsured children.
- There will be 1,098 uninsured children who will require an assessment at \$112 per child.
- The MHDS Regions currently provide approximately \$2,286 for this service.

Inpatient Psychiatric Hospital

- Access is available for children who have an SED and are uninsured.
- Most inpatient care is provided to children between 10 and 18 years of age.
- Both private insurance and Medicaid currently cover this service. The MHDS Regions will be responsible for uninsured children.
- The frequency of admissions is 0.63% of the general population.
- There will be approximately 63 uninsured children who will require inpatient psychiatric hospitalization. The reimbursement rate is \$914 per day, and the average length of stay is five days.
- The MHDS Regions currently provide approximately \$10,297 for this service.

Assumptions — Regional Management

- Each of the 14 MHDS Regions will hire 1.0 additional full-time equivalent (FTE) position to manage the new requirements of the Children's Behavioral Health System. The MHDS Regions will be responsible for the cost of the new FTE position.
- The average salary and benefits per FTE position is \$75,000 per year. This amount will increase by 2.0% in the second year.
- There will be an additional \$7,000 needed per Region for support and travel costs.

Fiscal Impact

[House File 690](#) is estimated to cost the State \$423,000 in FY 2020 and \$1.3 million in FY 2021 due to the increased cost of Medicaid services. In addition, this Bill is estimated to cost the MHDS Regions \$3.3 million in FY 2020 and \$5.1 million in FY 2021. A detailed breakdown of the estimated cost of each service is listed in **Table 1**.

If private insurance does not cover the cost of crisis residential services as listed in the assumptions, the MHDS Regions will be responsible for an additional \$922,000 in FY 2020 and \$3.6 million in FY 2021.

Table 1 — Estimated Fiscal Impact of HF 690

| Core Service | FY 2020 | | | FY 2021 | | |
|---------------------------------------|---------------------|-------------------------|---------------------|---------------------|-------------------------|---------------------|
| | Total | Medicaid State Share | MHDS Region | Total | Medicaid State Share | MHDS Region |
| Crisis Residential | \$ 519,130 | \$ 264,141 | \$ 254,989 | \$ 2,664,042 | \$ 1,045,324 | \$ 1,618,718 |
| Mobile Crisis Response | 743,736 | 158,969 | 584,766 | 1,250,828 | 267,357 | 983,471 |
| Prescribing and Medication Management | 291,683 | 0 | 291,683 | 291,683 | 0 | 291,683 |
| Therapy | 593,396 | 0 | 593,396 | 593,396 | 0 | 593,396 |
| Assessment for Eligibility | 120,681 | 0 | 120,681 | 120,681 | 0 | 120,681 |
| Inpatient Psychiatric Hospital | 277,613 | 0 | 277,613 | 277,613 | 0 | 277,613 |
| Total Core Services | \$ 2,546,239 | \$ 423,110 | \$ 2,123,128 | \$ 5,198,243 | \$ 1,312,681 | \$ 3,885,562 |
| Regional Management | | | | | | |
| Additional 14 Regional FTE Positions | \$ 1,050,000 | \$ 0 | \$ 1,050,000 | \$ 1,071,000 | \$ 0 | \$ 1,071,000 |
| Support and Travel Costs | 98,000 | 0 | 98,000 | 98,000 | 0 | 98,000 |
| Total Regional Management | \$ 1,148,000 | \$ 0 | \$ 1,148,000 | \$ 1,169,000 | \$ 0 | \$ 1,169,000 |
| Total House File 690 | \$ 3,694,239 | \$ 423,110 | \$ 3,271,128 | \$ 6,367,243 | \$ 1,312,681 | \$ 5,054,562 |

Sources

Department of Human Services
LSA analysis and calculations

/s/ Holly M. Lyons

March 18, 2019

The fiscal note for this Bill was prepared pursuant to Joint Rule 17 and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.
