

### **Adequate Funding for Disability Services (MH/DS)**

**PROBLEM:** County disability services funding issues are compounded by several circumstances. The current allowable growth appropriation for county MH/DS Services, \$48.6 million, is less than the amount appropriated to counties in FY08. For the first time since 1996, property tax relief and community services funds have been reduced. Iowa Code chapter 426B states that each county's maximum levy is calculated by subtracting property tax relief from the base year levy. However, the Department of Management does not use the actual appropriation for property tax relief in calculating counties' levies, which reduces the total amount available to fund disability services. The federal enhanced Medicaid match has allowed counties to maintain services, but that funding will be phased out starting in the middle of FY 11. So in addition to not having any real growth from the state for four years, the federal money from the stimulus package disappears in FY 12. Counties continue to need significant additional state funding to meet state mandates, let alone provide necessary, discretionary community-based services.

**SOLUTION:** The state must appropriate at least \$69.9 million for MH/MR/DD allowed growth, maintain the community services fund at \$17.2 million, and restore the \$8.8 million cut in property tax relief. ISAC also supports legislation to allow counties to address MH/DD underfunding by adjusting their MH/DD levies necessary to adequately serve individuals with disabilities.

If the state is going to continue to underfund county managed services and continue the institutional mandates, ISAC supports shifting the responsibility for managing court commitments, including those to Oakdale, and all of the nonfederal share of institutional services, including Eldora and Toledo, to the state. This would free up approximately \$34 million for counties to maintain community based services and eliminate the need for increased allowable growth funding this year. The reasons for shifting state institutional and court commitment costs to the state are several:

- This shift would leave the counties with a logical system to manage – community based services for adults with mental retardation and mental illness (i.e. local management of local services);
- If the state under-funds institutional services and shifts costs to counties, individuals would be shifted from institutional to more desirable, generally less costly community based services;
- It would be the first step towards moving away from legal settlement, as institutional services and commitment services could be provided based on state residency, with no need for the courts, hospitals, or institutions to research legal settlement in order to bill for services.
- The commitment process would be a system where the state works with the state (DHS and the Judiciary) to resolve the issues rather than 99 counties trying to work with each judicial district. In addition, hospital capacity issues could be better addressed as a statewide issue.
- Employment and funding of mental health advocates would be aligned with the state. Currently, Iowa law requires mental health advocates to be assigned to any committed person. The advocates are hired and supervised by the judiciary but paid by the counties. This shift would correct this misalignment by having the state pay for its own employees.

COA	Description	FY10 Expenses
71319	State Mental Health Institutes (Cherokee, Clarinda, Independence, Mount Pleasant)- Per Diem Charges	\$ 5,466,934.53
71399	State Mental Health Institutes (Cherokee, Clarinda, Independence, Mount Pleasant)- Other Service Charges	\$ 239,779.86
72319	State Hospitals (Glenwood & Woodard)- Per Diem Charges	\$ 13,458,405.66
72399	State Hospitals (Glenwood & Woodard)- Other Service Charges	\$ 2,705.00
73319	Other Public/Private Hospitals – Inpatient Expenses	\$ 5,193,341.03
73399	Other Public/Private Hospitals – Other	\$ 171,814.43
74300	Commitment - Evaluations	\$ 640,547.50
74353	Commitment - Sheriff Transportation	\$ 706,818.33
74393	Commitment - Legal Representation	\$ 612,158.98
74395	Mental Health Advocate Expenses	\$ 943,207.62
74399	Commitment - Other Expenses	\$ 155,458.37
	TOTAL	\$ 27,591,171.31

COA	Description	FY10 Expenses
41305	Physiological Treatment – Outpatient	\$ 2,159,292.51
41306	Physiological Treatment – Prescription Medication	\$ 3,528,770.73
41307	Physiological Treatment – In Home Nursing	\$ 94,309.87
41399	Physiological Treatment – Other	\$ 323,974.59
42305	Psychotherapeutic Treatment - Outpatient	\$ 14,023,722.70
42309	Psychotherapeutic Treatment - Partial Hospitalization	\$ 72,550.55
42399	Psychotherapeutic Treatment - Other	\$ 2,090,083.90
43000	Evaluation (Non commitment)	\$ 833,362.49
44363	Rehab Treatment – Day Treatment Services	\$ 379,043.50
44396	Rehab Treatment – Community Support Programs	\$ 7,009,390.15
44397	Rehab Treatment – Psych Rehab	\$ 243,785.17
44399	Rehab Treatment – Other	\$ 713,673.37
71319	State Mental Health Institutes (Cherokee, Clarinda, Independence, Mount Pleasant)- Per Diem Charges	\$ 5,466,934.53
71399	State Mental Health Institutes (Cherokee, Clarinda, Independence, Mount Pleasant)- Other Service Charges	\$ 239,779.86
73319	Other Public/Private Hospitals – Inpatient Expenses	\$ 5,193,341.03
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74395	Mental Health Advocate Expenses	\$ 943,207.62
74399	Commitment - Other Expenses	\$ 155,458.37
	TOTAL	\$ 45,602,020.18