

Department of Legislative Services
 Maryland General Assembly
 2016 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 858 (Senator Kelley)
 Finance

Mental Health - Wraparound Services for Children and Youth

This bill requires the Governor to include an appropriation in the State budget, in fiscal 2018 and each fiscal year thereafter, to provide wraparound services in accordance with the 1915(i) Model for 300 children or youth with intensive mental health needs who (1) are not eligible for wraparound services under a 1915(i) Medicaid State Plan Amendment and (2) without wraparound services are at risk of having to leave an in-home placement for an out-of-home placement or return to the community from an out-of-home placement without receiving intensive community-based supports.

The bill takes effect June 1, 2016.

Fiscal Summary

State Effect: No effect in FY 2016 or 2017. Although the bill does not appear to establish a mandated appropriation, to the extent the Governor provides funding as specified under the bill, general fund expenditures for the Department of Health and Mental Hygiene (DHMH) increase by an estimated \$6.7 million in FY 2018 to provide wraparound services. Future years reflect inflation. Revenues are not affected.

(\$ in millions)	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	0	6.7	6.8	6.8	6.9
Net Effect	\$0.0	(\$6.7)	(\$6.8)	(\$6.8)	(\$6.9)

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: “1915(i) Model” means the wraparound service delivery model for children and youth with intensive mental health needs as described in specified regulations. “Wraparound services” means services provided to children and youth with intensive mental health needs and their families in their communities; these services include intensive care coordination, child and family team meetings, and plans of care that are individualized to each family and include formal and informal supports. Formal supports include individual or family therapy; informal supports include intensive in-home services, respite care, mobile crisis response and stabilization, family peer support, experiential therapies, and flexible funds for goods and services that are identified in the plan of care.

Current Law/Background: The Children’s Cabinet Interagency Fund (CCIF), under the Governor’s Office for Children (GOC), supports early intervention and prevention programs through dedicated grant funding for, among others, the Care Management Entity (CME). CME was implemented in November 2009 to serve children and youth with intensive mental health needs, including the provision of wraparound services for qualified youth. In October 2015, GOC transferred administration of CME to DHMH as part of an effort to streamline administration and enrollment. Prior to the transfer, both GOC and DHMH administered CME services. DHMH delivers services regionally through targeted case management (TCM) services delivered by care coordinating organizations. DHMH services are funded with Medicaid funds, while CME services supported by CCIF were funded with general funds. However, more than one-half of the children in the GOC-administered program were found to be Medicaid-eligible. Medicaid-eligible children who were in the GOC-administered CME will now be funded with Medicaid funds, whereas non-Medicaid-eligible children will continue to be funded with general funds.

This bill is intended to establish a statutory mandate that non-Medicaid-eligible children continue to receive services under DHMH. The Governor’s proposed fiscal 2017 budget includes approximately \$4.4 million for the Behavioral Health Administration to support the continuation of services to youth under TCM that are similar to those who were served by CME. This includes \$3.5 million in general funds and \$876,000 in federal matching funds to serve approximately 300 children.

State Expenditures: Although the bill does not appear to establish a mandated appropriation (there is no specific monetary appropriation or formula in each fiscal year), to the extent that the Governor provides funding in the State budget, DHMH general fund expenditures increase beginning in fiscal 2018. DHMH advises that the cost for services per child under the 1915(i) Medicaid State Plan Amendment is approximately \$22,360. Therefore, general fund expenditures for DHMH increase by \$6,708,000 in fiscal 2018 to provide wraparound services for 300 children and adolescents who are not eligible for the

1915(i) waiver program. Actual costs may vary depending on the specific services required for each child. Future year expenditures reflect inflation.

Additional Information

Prior Introductions: None.

Cross File: HB 579 (Delegate Rosenberg, *et al.*) - Health and Government Operations.

Information Source(s): Maryland Association of County Health Officers, Department of Health and Mental Hygiene, Governor's Office for Children, Department of Legislative Services

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