



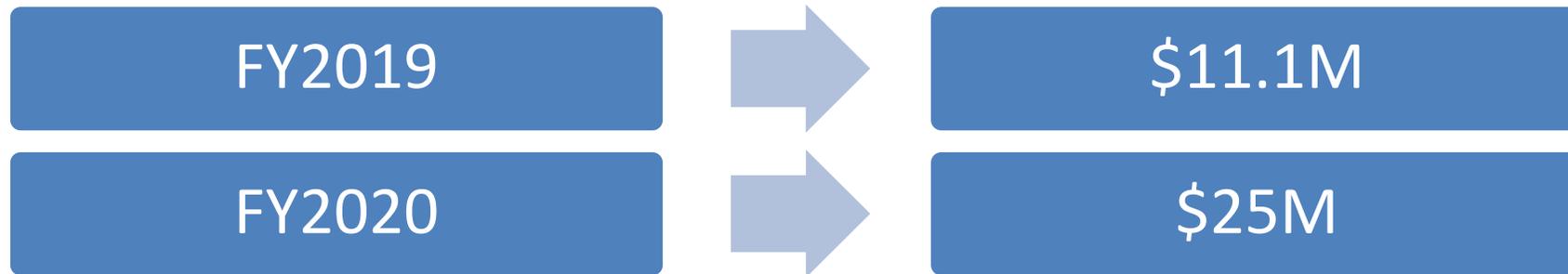
Community Service Board (CSB) General Fund Replacement Reduction Update

Joint Subcommittee on
Health and Human Resources Oversight
September 17, 2019

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Department of Behavioral Health and
Developmental Services

GF Replacement Reduction – Background 2018

During the 2018 GA Session, the Governor and General Assembly reduced the general fund appropriation for community services boards (CSBs) as part of the Medicaid Expansion offset.



GF Replacement Reduction – Background 2018

- Based on a preliminary analysis which informed the allocation of this reduction in June 2018, DBHDS determined that CSBs would not likely immediately generate sufficient new Medicaid revenue to offset this reduction.
- As a result, the Governor and General Assembly added language to the appropriation act in the 2019 GA Session to address this.
 - ✓ Mechanism for DBHDS Commissioner to provide up to \$7 million to CSBs if a shortfall was evident based on collections through May 15.
 - ✓ Reporting requirements to determine the amount of the shortfall for FY 2019 and projected for FY 2020, focusing on uninsured individuals previously served by CSBs.

Appropriations Act Language

Y.1. The Department of Behavioral Health and Developmental Services, in consultation with the Department of Medical Assistance Services, shall, on a monthly basis, monitor the fiscal impact of Medicaid expansion on community services boards. The Department of Behavioral Health and Developmental Services shall require community services boards to submit monthly expenditure reports documenting additional federal revenues received as a result of Medicaid expansion on a timely basis. In the event that the reduction in general fund appropriation allocated to a community services board in this Act in anticipation of additional revenues from Medicaid expansion exceeds, by more than ten percent, the total additional revenue collections as of May 15, 2019, the Commissioner, Department of Behavioral Health and Developmental Services, may allocate up to \$7,000,000 from available special fund revenue balances to address shortfalls, on a pro rata basis, if necessary.

2. Prior to the distribution of any special revenue fund balances for this purpose, the Department shall notify the Secretary of Finance and the Chairmen of the House Appropriations and Senate Finance Committees.

GF Replacement Reduction – Data Collection

- Data template created to include monthly CSB billing and collections for all services looking at three categories:

GAP	Uninsured	New
<ul style="list-style-type: none">• Individuals previously served on GAP, looking specifically at the rate differential between this program and Medicaid	<ul style="list-style-type: none">• Individuals uninsured previously served by CSB in the last 12 months	<ul style="list-style-type: none">• Individuals new to the CSB system

- CSBs provided results through April 30 to DBHDS by July 31, 2019. DBHDS then spent the better part of August reviewing and validating this information in coordination with CSBs.

GF Replacement Reduction – \$7 Million Payment

- Based on the submitted data from CSBs, DBHDS determined that they met the threshold necessary to receive payment (collections shortfall through May 15 was more than 10% of allocated reduction).
- The amount of this shortfall – May 15 collections minus GF Reduction – was \$7.8 million when looking at the GAP differential plus the uninsured previously served.
- Based on coordination effort between the DBHDS and CSB leadership, it was determined best to distribute the \$7 million payment based on Case Management information.
 - ✓ Case Management was used to calculate the General Fund Reduction to CSBs;
 - ✓ All 40 CSBs agreed to this payment methodology;
 - ✓ DBHDS has notified Secretary of Finance, House and Senate Money Committee Chairs and is in the process of making payment by end of September.

GF Replacement Reduction – September Report

Findings

- Following Appropriations Act language based on collected revenue through May 15, CSBs incurred a funding shortfall exceeding \$7 million during the initial period of implementation.
- CSBs are currently projected to collect a total of \$5.0 million in new revenue through June 30 – based on using GAP differential for CM and looking at all services for individuals previously uninsured. This leaves them short by about \$6.1 million.
- CSBs are currently projected to bill a total of \$8.2 million in new revenue through June 30 – based on using GAP differential for CM and looking at all services for individuals previously uninsured. This leaves them short by about \$2.9 million.

Analysis

- There is a wide variation between amounts billed and amounts collected both by category (GAP, previously uninsured, and new clients) as well as by CSB.
- DBHDS anticipates the gap between billing and collections will narrow as the current fiscal year progresses (especially with some of the recent assistance DMAS is providing the CSBs and the current on-ramping that is occurring). This will also positively impact the total amount collected for FY 2020, helping to further close any gap between the reduction and revenue generation.
- DBHDS will have a clearer picture when CSBs submit data with results through July 31 on September 24, 2019. This will be included in the December quarterly report, which can then serve as the basis for FY 2020 projections.
- DBHDS will use a more comprehensive approach to determine any shortfall for FY 2020, as it receives more detailed information from the CSBs and DMAS through end of the calendar year.
- The FY 2019 payment action does not set precedent for FY 2020.