

FY 2013 Budget Analysis: Behavioral Health and Developmental Disabilities

A Review of the Governor's Budget Report – FY 2013

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Summary

The governor's FY 2013 budget recommendations increase state General Funds to the Department of Behavioral Health and Developmental Disabilities (DBHDD) by \$45.3 million (5.1 percent) compared to FY 2012. The bulk of this increase funds the continued implementation of the Department of Justice (DOJ) Settlement Agreement reached in 2010. In addition to addressing the DOJ Settlement, the FY 2013 budget increases funding for forensic services, increased employer contributions for state employee health and retirement costs, and to reflect a lower federal Medicaid matching rate in FY 2013.

The FY 2013 budget also realizes \$8.4 million in savings by eliminating some contracts, reducing spending on operating costs, and by using non-General Fund revenue sources to replace General Fund spending.

The FY 2013 budget also relies on enhanced federal funding from the Affordable Care Act to fully fund the state's obligations under the DOJ Settlement. This funding is available as a result of the Balancing Incentives Payment Program (BIPP) created in the new health care law that seeks to assist states in providing more long-term care services in home and community based programs instead of nursing homes and institutional settings.

The FY 2013 DBHDD budget relies on \$9.6 million in BIPP funding to fully fund the state's obligations under the DOJ Settlement. Georgia must apply for federal BIPP funding and is in the process of doing so. If the funding is not available, additional state funds would be needed to meet the terms of the DOJ Settlement.

Department of Behavioral Health and Developmental Disabilities

The Department of Behavioral Health and Developmental Disabilities (DBHDD) was created during the reorganization of Georgia's health and human services agencies and the break-up of the old Department of Human Services. The DBHDD is comprised of 11 programs along with a departmental administration program. Funds directed to the administration program are excluded when comparing the FY 2013 budget to the pre-recession FY 2009 budget because a comparable figure is not available for FY 2009.

The FY 2013 budget provides \$927.9 million in state General Funds to the DBHDD, along with \$10.3 million in Tobacco Settlement Funds. The Tobacco Funds amount is unchanged from FY 2012, while the General Fund amount represents an increase of \$45.3 million or 5.1 percent (these amounts do not include agencies that are attached to DBHDD for administrative purposes).

While most state agencies and programs have seen significant funding cuts since the pre-recession FY 2009 budget, the state has increased funding to behavioral health and disability services. In fact, the non-administrative portion of the DBHDD FY 2013 budget increases General Funds of \$114.2 million above FY 2009, an increase of 14.7 percent.

Department of Behavioral Health and Developmental Disabilities Fund Changes, FY 2009 - FY 2013

Fund Source	FY 2009 Original Budget	FY 2012 Original Budget	FY 2013 Governor's Budget	FY 2012-FY 2013 Change \$	FY 2012-FY 2013 Change %	FY 2009-FY 2013 Change \$	FY 2009-FY 2013 Change %
General Fund - non admin	\$776,377,481	\$846,777,197	\$890,529,429	\$43,752,232	5.2%	\$114,151,948	14.7%
DBHDD Administration	N/A	\$35,869,230	\$37,389,825	\$1,520,595	4.2%	N/A	N/A
Total DBHDD	N/A	\$882,646,427	\$927,919,254	\$45,272,827	5.1%	N/A	N/A

DBHDD administration figures are not available in FY 2009 because the programs were still part of the larger Department of Human Resources.

Budget Highlights

In total, the FY 2013 budget increases state General Funds for DBHDD programs by \$45.3 million (5.1 percent). Highlights of new DBHDD program funding in the FY 2013 budget include:

- \$29.8 million to continue implementation of the 2010 Department of Justice (DOJ) Settlement. Under the terms of the settlement, Georgia has agreed to significantly increase state funding in order to serve more Georgians in need of behavioral health and developmental disability services in community settings, as opposed to hospital or institutional settings. This new funding is directed as follows:
 - \$20.3 million for enhanced community services in the Adult Mental Health Services program. These funds are primarily directed to crisis-related services (\$7.6 million), community-based treatment and case management (\$4 million), employment and housing supports (\$1.6 million), consumer transportation services (\$3.2 million), peer support services (\$1 million) and quality management and oversight activities (\$2.9 million).
 - \$4.2 million for non-waiver community services in the Adult Developmental Disabilities Services program. These funds are for family support services (\$1.5 million), fund mobile crisis teams and crisis respite services (\$2.3 million) and for an audit of waiver services and the education of judges and law enforcement.
 - \$5.3 million to annualize 100 of the 250 waiver services added in FY 2012 and to add new 150 waiver services in FY 2013. The FY 2013 budget also relies on enhanced federal funding from the Balancing Incentives Payment Program (BIPP) to annualize the remaining 150 FY 2012 waiver services and to add 100 new services in FY 2013. The BIPP is discussed in further detail in a latter section.

- \$6.1 million for forensic mental health services. The bulk of this new funding (\$5.6 million) will be directed to fund a new 40-bed facility in Atlanta, with an additional \$450,000 used to fund “floating” forensic evaluators who will perform evaluations around the state, depending on where the need arises. According to the Department, there are 90 people on the waiting list for forensic services as of January 2012. The new funding is designed to help serve those waiting for services. In addition to programmatic changes discussed above, the FY 2013 budget also:
 - Adds \$14.5 million for higher employer contributions to state employee health insurance and retirement costs.

- Adds \$1.6 million for various statewide technical adjustments.
- Adds \$1.6 million in General Funds to take into account a lower federal match rate for Medicaid in FY 2013.

The FY 2013 budget also makes the following funding cuts and adjustments that reduce state General Funds to the department by a total of \$8.4 million:

- \$3.6 million in reduced funding for contractual services.
- \$1.6 million in one-time savings by replacing General Funds with enhanced federal funds for the Money Follows the Person program.
- \$2.1 million in savings by using federal Mental Health Block Grant funds to replace General Funds.
- \$1.1 million in savings by using Medicaid administrative funds to replace General Funds.

Recent Trends

As previously discussed, services for Georgians with developmental disabilities and behavioral health needs are one of the few areas of state government that have experienced funding growth in recent years. Since FY 2009, state funding for the 11 programs that make up the DBHDD has grown totaling \$114.2 million, which amounts to a 14.7 percent increase.

A significant portion of these new funds have been directed to the department as a result of the state entering into a settlement with the U.S. DOJ. In total, the FY 2013 budget includes \$89.2 million for programs and services required under the settlement agreement, which is an increase of \$29.8 million above the FY 2012 budget. Additional increases in state funding will be needed to continue compliance with the settlement in the coming fiscal years.

Even with the increase in funding in recent years, Georgians in need of behavioral health and developmental disability services often lack access to those services. As of November 2011, more than 7,700 Georgians, most of whom have physical or developmental disabilities, are on the waiting list for either short-term or long-term community-based services.

Outlook and Policy Considerations

Although the FY 2013 budget adds funding to continue implementation of the 2010 DOJ Settlement, the recommendation relies on special federal funding for FY 2013 that is not yet certain. The Balancing Incentive Payment Program (BIPP) is a special program created in the Affordable Care Act that provides enhanced federal funding for states to serve more individuals in home and community settings instead of institutional or hospital settings. Under this program, states apply for a two-percentage-point bump in the Medicaid match rate for programs providing long term care services in the community.

If Georgia receives the two-percentage-point increase, fewer state funds will be needed to fund the current waiver programs. The FY 2013 budget relies on these savings to annualize funding for 150 waiver services originally added in FY 2012 and to add 100 new waiver services in FY 2013. Based on the original DBHDD budget request, the failure of the state to obtain increased funding under BIPP would require the state to add \$9.6 million in new state funds in FY 2013 to provide the new waiver services required under the DOJ Settlement.

Total DOJ Settlement Spending, FY 2013

	Governor's FY 2013 Recommendation
Developmental Disability Services	
Mobile Crisis & Respite	\$11,917,681
Family Supports	\$4,648,400
NOW/COMP waivers	\$19,846,352
Education and Audits	\$450,000
Developmental Disability Services - Subtotal	\$36,862,433
Mental Health Services	
Assertive Community Treatment	\$10,840,733
Community Support Teams	\$1,040,791
Intensive Case Management	\$1,679,091
Case Management Services	\$686,458
Crisis Service Centers	\$250,000
Crisis Stabilization Programs	\$4,170,145
Community Hospital Beds	\$6,387,500
Crisis Line	\$1,421,000
Mobile Crisis Services	\$3,745,372
Crisis Apartments	\$347,400
Supported Housing	\$3,628,800
Housing & residential Supports	\$1,080,000
Bridge Funding	\$1,154,250
Supported Employment	\$1,637,829
Peer Support Services	\$1,707,618
Provider Training	\$588,085
Consumer Transportation	\$3,223,412
Mental Health Services - Subtotal	\$43,588,484
Quality Management & Oversight	\$8,767,530
FY 2013 DBHDD Funding for DOJ Settlement	\$89,218,447

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