

FY 2013 Budget Analysis: Behavioral Health and Developmental Disabilities

A Review of the Enacted FY 2013 Budget

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Overview

The Department of Behavioral Health and Developmental Disabilities (DBHDD) was established as a stand-alone agency beginning in FY 2010 (July 1, 2009) after the break-up of the Department of Human Resources. Many state agencies, including programs serving individuals with developmental disabilities and behavioral health needs, sustained significant cuts in FY 2009. New funding has since been added to Georgia's behavioral health and developmental disability programs and Georgia now directs substantially more resources to serve Georgians in need of these services.

The FY 2013 budget continues the recent trend of funding increases to programs serving Georgians in need of behavioral health and developmental disability services. The FY 2013 budget directs \$29.8 million in new funding to continue implementation of the Department of Justice (DOJ) settlement that governs Georgia's investment in these services. These funds are used to implement the third year of a five-year plan laid out by the settlement that will enable Georgia to serve more individuals in home and community settings instead of institutional settings.

In addition to new funding to implement the DOJ settlement, the FY 2013 budget increases funding to DBHDD for state employee health and retirement costs, while implementing reductions in a variety of programs that slightly offset the funding increases. In total, the \$927.3 million General Fund appropriation to DBHDD in FY 2013 represents a \$44.6 million increase, or about 5.1 percent, from the FY 2012 budget.

Budget Highlights

The FY 2013 budget increases state General Funds for DBHDD programs by \$44.6 million (5.1 percent). In particular, the budget:

- Adds \$29.8 million to continue implementation of the 2010 Department of Justice (DOJ) Settlement. Of this amount, \$20.3 million is directed to enhanced community mental health services, \$4.2 million is directed to non-waiver community services for Georgians with developmental disabilities, and \$5.3 million is used to fund waiver services for Georgians with developmental disabilities.
- Adds \$6.1 million for forensic mental health services, including \$5.6 million to fund a new 40-bed facility in Atlanta and \$450,000 used to fund "floating" forensic evaluators who will perform evaluations around the state, depending on where the need arises.
- Adds \$450,000 to three autism centers in Georgia, including \$250,000 to the Marcus Autism Center and \$100,000 each to the Matthew Reardon Center for Autism and the Emory University Autism Center.

- Adds \$800,000 to replace lost federal TANF funds due to the state’s loss of the TANF Supplemental Grant.
- Adds \$250,000 to fund the Opening Doors to Recovery Project, which provides case management services to help individuals who have experienced a mental health crisis avoid relapse.

In addition to programmatic changes discussed above, the FY 2013 budget also:

- Adds \$14.5 million to fund 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 \$10.8 million. Specifically, the budget:

- Cuts \$3.6 million from contractual services.
- Saves \$1.6 million by replacing General Funds with enhanced federal funds for the Money Follows the Person program.
- Saves \$2.1 million by using federal Mental Health Block Grant funds to replace General Funds.
- Saves \$1.1 million by using Medicaid administrative funds to replace General Funds.
- Saves \$1.2 million as a result of closing Northwest Georgia Regional Hospital.
- Cuts \$700,000 allocated for departmental administrative expenses.
- Cuts \$500,000 from to the Adult Mental Health Services program.

Recent Trends

The FY 2013 budget represents a \$44.6 million, or 5.1 percent, increase from the enacted FY 2012 budget. Furthermore, as a result of significant funding added in the last three years, programmatic funding for DBHDD (excluding administrative funding) has increased by \$114.2 million, or 14.5 percent, since the enacted FY 2009 budget, as shown in Table 1.

Table 1 Department of Behavioral Health and Developmental Disabilities Fund Changes, FY 2009 - FY 2013

Fund Source	FY 2009 Enacted Budget	FY 2012 Enacted Budget	FY 2013 Enacted Budget	FY 2012- FY 2013 Change \$	FY 2012- FY 2013 Change %	FY 2009- FY 2013 Change \$	FY 2009- FY 2013 Change %
General Fund (Programmatic)	\$776,377,481	\$846,777,197	\$890,597,399	\$43,820,202	5.2%	\$114,219,918	14.7%
General Fund (Administration)	N/A	\$35,869,230	\$36,672,440	\$803,210	2.2%	N/A	N/A
Total General Funds	\$776,377,481	\$882,646,427	\$927,269,839	\$44,623,412	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.

The increase in state funding for Georgia’s behavioral health and developmental disability programs is largely due to the state’s implementation of the spending plan laid out by the DOJ Settlement. So far, Georgia has added \$82.1 million in funding (relative to the enacted FY 2011 budget) to implement the DOJ settlement – these funds account for nearly 72 percent of the overall funding increase since FY 2009. The remaining portion of the funding increase is primarily due to increased state appropriations for state employee health and retirement costs.

Policy Outlook

Although the 2010 DOJ Settlement has driven state investments in Georgia's behavioral health and developmental disability programs, Georgia's DBHDD will continue to play an important role in the state's health care system after the settlement is completed in FY 2015. While the funding for the settlement has rightly been in the spotlight when examining Georgia's behavioral health and developmental disability programs, pending changes to Georgia's Medicaid program are also very important. In particular, the Medicaid redesign decisions made in the coming months will most certainly impact Georgia's behavioral health and developmental disability services, while new federal resources coming through the Medicaid expansion in 2014 should continue to bolster the capacity of Georgia's behavioral health care system.

Under the terms of the DOJ Settlement Agreement, Georgia is set to increase investment in behavioral health and developmental disability services again in FY 2014 and FY 2015. Based on recent funding additions from FY 2011 through FY 2013, Georgia will likely need to add tens of millions of new state dollars each year to meet the terms of the Settlement Agreement.

Upcoming changes to Georgia's Medicaid program could also have a significant impact on DBHDD programs serving Georgians with mental health needs and/or developmental disabilities. In particular, the state's efforts to "redesign" current Medicaid programs could affect the structure of the waiver programs currently administered by DBHDD. In addition, the 2014 Medicaid expansion required under the Affordable Care Act could significantly increase Medicaid coverage of mental health services provided through DBHDD.

First, although Georgia's Medicaid program is administered by the Department of Community Health (DCH), many of Georgia's Medicaid waiver programs are operated by DBHDD. Changes to the structure of Georgia's Medicaid program could affect these waivers and the Georgians who rely on them. For example, some services that are only available through waivers could instead be made available to all Medicaid members – potentially increasing access to home and community services for some Georgians who are not receiving services through the waivers.

Currently, DCH is in the planning stages and trying to determine what a redesigned Medicaid program would look like as well as how Georgia's existing waiver programs would be affected. Although initial timelines called for a finalized redesign model during the spring of 2012, it appears that the planning stage will continue at least into the summer of 2012. No new timelines are available from DCH.

Another pending change in the Medicaid program that will affect DBHDD programs is the 2014 eligibility expansion that is part of the federal health reform law – the Affordable Care Act. Although the eligibility expansion will be administered by DCH, many newly-eligible individuals will also need mental health services in addition to traditional medical services. Some of the newly eligible individuals may already receive services through state-funded behavioral health programs operated by DBHDD, which could have positive financial side effects for the department. Either way, Georgia's mental health system will be a crucial service provider for many newly insured Georgians. In turn, the federal funding available through this coverage expansion could be valuable to Georgia's behavioral health providers.

Endnotes

¹ The \$20.3 million for enhanced community services in the Adult Mental Health Services program is allocated as follows: 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).

The \$4.2 million for non-waiver community services in the Adult Developmental Disabilities Services program is allocated to: family support services (\$1.5 million), 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.

The \$5.3 million for DD waiver services are allocated to annualize 100 of the 250 waiver services added in FY 2012 and to add new 150 waiver services in FY 2013. Enhanced federal funding from the Balancing Incentives Payment Program (BIPP) is used to annualize the remaining 150 FY 2012 waiver services and to add 100 new services in FY 2013.

² The department is losing nearly \$6.5 million in federal TANF funds as part of the state's FY 2013 TANF allocation, and new state funds replace only a portion of these lost funds. For more information on the state's loss of TANF supplemental grants, see FY 2013 Budget Analysis: Human Services, by Clare S. Richie, Georgia Budget and Policy Institute, Policy Report, May 2012 <http://gbpi.org/fy-2013-budget-analysis-human-services-2>.

³ The savings are in the form of lower than expected unemployment insurance payments.

⁴ The Department has not indicated how this funding cut will be implemented or what services would be affected.

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