

DEPARTMENT OF MENTAL HEALTH

FY 2013 OPERATING BUDGET

DECISION ITEM NAME	FUND	DEPARTMENT REQUEST		GOVERNOR RECOMMENDS	
		AMOUNT	FTE	AMOUNT	FTE
CORE					
Core -- These amounts currently reflect FY12 appropriation less FY13 core adjustments.	GR	\$579,951,143	4,935.99	\$576,956,739	4,923.83
	FED	\$632,094,932	2,475.50	\$617,660,159	2,452.98
	OTHER	\$53,688,495	22.00	\$53,671,667	18.00
Sub-total Core		\$1,265,734,570	7,433.49	\$1,248,288,565	7,394.81
MANDATORIES / INFRASTRUCTURE					
Increased Food Costs - This item requests funding to address increased costs for food at DMH facilities. This request was based on an US Department of Agriculture inflationary rate of 4.0%.	GR	\$164,475	0.00	\$165,167	0.00
	FED	\$28,692	0.00	\$28,692	0.00
	Sub-Total	\$193,167	0.00	\$193,859	0.00
Increased Medical Care Costs - This item requests funding to support medical costs at state-operated facilities. This request was based on an US Department of Labor medical inflationary increase of 5.1%. The Governor did not recommend funding this item because the increased medical care costs will now be covered in the facility budgets through the savings realized by switching from name brand prescription medications to generic versions.	GR	\$960,791	0.00	\$0	0.00
	FED	\$33,410	0.00	\$0	0.00
	Sub-Total	\$994,201	0.00	\$0	0.00
Increased Medication Costs - This decision item requests funding for the ongoing inflation of pharmaceuticals. This item will also cover the annual renewal increase for contracted pharmacy services. The 2.4% inflation rate requested in this decision item is the projected increase for traditional drugs in calendar year 2013 as determined by Express Scripts. The Governor did not recommend funding this item because the increased medication costs will now be covered in the facility budgets through the savings realized by switching from name brand prescription medications to generic versions. Also, DMH does not anticipate an inflationary increase request for its contract pharmacy services when the contract is renewed during SFY 2013.	GR	\$1,108,675	0.00	\$0	0.00
	FED	\$5,175	0.00	\$0	0.00
	Sub-Total	\$1,113,850	0.00	\$0	0.00

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MANDATORIES / INFRASTRUCTURE (Continued)					
DMH Utilization Increases: This decision item requests funding to support utilization increases as follows:					
<p>➤ DMH Utilization Increase - While assumed so in the past, there is not a simple correlation between Medicaid growth in a given year and corresponding growth in Medicaid eligible recipients entering DMH services.</p> <p>A person who is newly eligible in Missouri’s Medicaid program is not automatically eligible for DMH services. That person must first meet DMH clinical eligibility criteria. Many people in Missouri’s Medicaid program do not meet these criteria.</p> <p>Conversely, individuals who have become Medicaid eligible in prior years often become eligible for DMH services for the first time in a current year because they now meet DMH eligibility criteria. The percentage of DMH Medicaid-eligible individuals continues to grow annually beyond overall Medicaid caseload growth for reasons like the following:</p> <ul style="list-style-type: none"> • First time DMH enrollment of adults experiencing first-break mental illness, children and youth experiencing severe emotional disorders, or individuals seeking treatment for serious substance abuse problems who are already Medicaid-eligible but have not previously needed DMH treatment; • Increasing sophistication of medical health care providers in diagnosing mental illness and substance abuse disorders; • Developmentally disabled adults over age 18 can become Medicaid-eligible. Most will served through the Partnership for Hope, with the state paying only 18% of the total costs of services (County Developmental Disability Boards pay the remaining 18% of the state match, drawing down the federal share). The total cost of these services under Partnership for Hope (federal, state and local share) is averaging less than \$10,000 per year. Approximately 1,000 such individuals will be enrolled in SFY 2013; 	GR	\$9,588,344	0.00	\$12,219,796	0.00
	FED	\$16,616,475	0.00	\$20,658,943	0.00
		\$26,204,819	0.00	\$32,878,739	0.00
	Sub-Total	\$26,204,819	0.00	\$32,878,739	0.00

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MANDATORIES / INFRASTRUCTURE (Continued)					
<ul style="list-style-type: none"> Developmentally disabled children under age 18, with severe medical needs that exceed the capabilities of local school special education programs, are eligible for the Lopez Waiver, which automatically deems them Medicaid eligible. Approximately 115 of these children will be enrolled in FY 2013; and The growing heroin problem in St. Louis, widespread use of methamphetamine in rural Missouri, and statewide increase in prescription drug abuse has increased demand for substance abuse treatment, and individuals on Medicaid are a priority population for ADA services. <p>Fifty-six percent of the 170,000 persons served annually by DMH are Medicaid eligible, and that percentage grows each year.</p> <p><i>The Governor recommended a more DMH specific utilization increase. Gov Rec - ADA: \$1,459,028 GR and \$2,369,438 Fed; CPS: \$3,291,316 GR and \$5,345,042 Fed; DD: \$7,469,452 GR and \$12,944,463 Fed.</i></p>					
<p>➤ HB 73 TANF Testing/Substance Abuse Treatment - HB 73 (2011) requires that applicants for and recipients of TANF be screened for the use of illegal drugs. This item requests funding to treat individuals who are referred to DMH by the Department of Social Services as a result of a positive drug screen. Assuming that 3,699 individuals will be referred for testing and that 50% of those will refuse to be tested, it is estimated that 40% of those who test positive for illegal drugs, or 740 individuals, will present for treatment.</p>	GR	\$0	\$1,108,577	0.00	0.00
	FED	\$0	\$831,703	0.00	0.00
	Sub-Total	\$0	\$1,940,280	0.00	0.00
<p>Sex Offender Rehab & Treatment Services (SORTS) Cost-to-Continue - Partial year funding was appropriated in FY 2012 and a new unit was opened at Fulton State Hospital in October 2011. This request is the cost-to-continue portion of that ward expansion for a 25-bed ward at Fulton.</p>	GR	\$317,385	\$317,385	7.02	7.02

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OPERATING					
Sex Offender Rehab & Treatment Services (SORTS) Expansion - This item requests partial year funding to open and operate one new 25-bed treatment unit in FY 2013 due to the continuing growth of the SORTS population. Commitments to the SORTS program continue at a rate of 17 to 20 per year. This request includes 10 months of funding to open a new unit October 1, 2012, with one month for staff hiring and training prior to opening.	GR	\$1,671,096	39.77	\$1,671,096	39.77
Radio Narrowband Upgrade - This decision item is needed to enable DMH to meet FCC regulations which require that all users of land mobile radio systems migrate to narrowband efficiency technology by January 1, 2013. <i>The Governor Recommendation is lower than the Department Request because it is based on newer, more accurate estimates. Also, many of the CPS facilities were awarded Missouri Hospital Association grants and were able to use grant funding to pay for a portion of the equipment costs.</i>	GR	\$764,187	0.00	\$492,842	0.00
	FED	\$245,469	0.00	\$89,356	0.00
	Sub-Total		\$1,009,656	0.00	\$582,198
CPS Additional MHEF Authority - This request allows the state to accept payments from the privately-operated St. Louis Regional Psychiatric Stabilization Center (PSC) in reimbursement for support services provided by Metropolitan St. Louis Psychiatric Center. The PSC utilizes vacant space at Metro Psych Center.	MHEF	\$610,666	2.00	\$610,666	2.00
DD Additional Federal Authority - This item requests an increase in Federal authority used to pay the Federal portion of match payments to DD Medicaid contract providers. For the past several years, DD has maximized their federal draw down beyond original estimates and, therefore, this increase is needed to align the appropriation with actual expenditures. This additional authority will also give DD the ability to leverage all resources such as Senate Bill 40 Board funding to the fullest extent possible.	FED	\$33,000,000 E	0.00	\$33,000,000 E	0.00

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OPERATING (Continued)					
DD Waiting List Equity Trust Fund (HB 631) - HB 631 allowed the Division of DD to receive monies designated on individual or corporation tax refund forms to serve individuals on the DD waiting list. Proceeds collected as a result of the tax refund forms shall be deposited into the newly created "Developmental Disabilities Waiting List Equity Trust Fund". This item requests appropriation authority to spend from this new fund to provide community services and support to people with developmental disabilities and their families who are on the DD wait list and eligible for but not receiving services.	WLETF	\$1 E	0.00	\$1 E	0.00
Intergovernmental Transfer Authority - This request is for additional Federal Intergovernmental Transfer authority. Federal Medicaid regulations require DMH to transfer funds to the Department of Social Services (DSS) to cover the State match of Medicaid payments for the department's CSTAR, CPR, and TCM Medicaid programs. This transfer allows the department to transfer the State match back to GR using a non-count transfer instead of a direct deposit to GR.	FED	\$0	0.00	\$67,000,000	0.00
Fed to GR Transfer - DMH generates over \$600 million in federal reimbursements across 120 federal appropriations. When calculated reimbursements come in above estimates, this transfer authority allows DMH to send the federal reimbursements above estimates to GR.	FED	\$0	0.00	\$3,095,844	0.00
MO HealthNet Match Adjustment - The federal share of the blended Federal Financial Participation (FFP) rate will decrease in FY 2013 from 63.41% to 61.89%; thereby increasing the State's share from 36.59% to 38.11%. As a result, DMH is requesting additional General Revenue, Health Initiatives Fund (HIF), Healthy Families Trust Fund (HFT), and Mental Health Local Tax Match Fund (MHLTMF) so adequate authority for the MO HealthNet payment is available. Also, as a result of the decrease in the Federal share, corresponding Federal authority is reduced in core funding.	GR	\$0	0.00	\$10,893,927	0.00
	HIF	\$0	0.00	\$120,488	0.00
	HFT	\$0	0.00	\$77,464	0.00
	MHLTMF	\$0	0.00	\$605,816	0.00
	Sub-Total		\$0	0.00	\$11,697,695
Pay Plan - The Governor recommended a two percent general structure adjustment for all state employees beginning in January 2013.	GR	\$0	0.00	\$1,633,147	0.00
	FED	\$0	0.00	\$665,799	0.00
	MHTF	\$0	0.00	\$3,918	0.00
	HIF	\$0	0.00	\$2,157	0.00
	MHEF	\$0	0.00	\$1,165	0.00
	CGF	\$0	0.00	\$366	0.00
Sub-Total		\$0	0.00	\$2,306,552	0.00

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DMH FY 2013 BUDGET:					
Core By Fund					
	GR	\$579,951,143	4,935.99	\$576,956,739	4,923.83
	FED	\$632,094,932	2,475.50	\$617,660,159	2,452.98
	OTHER	\$53,688,495	22.00	\$53,671,667	18.00
Sub-total -- Core		\$1,265,734,570	7,433.49	\$1,248,288,565	7,394.81
New Decision Items By Fund					
	GR	\$14,574,953	46.79	\$28,501,937	46.79
	FED	\$49,929,221	0.00	\$55,274,493	0.00
	OTHER	\$610,667	2.00	\$1,422,041	2.00
Sub-total -- New Decision Items		\$65,114,841	48.79	\$85,198,471	48.79
DMH TOTAL BY FUND					
	GR	\$594,526,096	4,982.78	\$605,458,676	4,970.62
	FED	\$682,024,153	2,475.50	\$672,934,652	2,452.98
	OTHER	\$54,299,162	24.00	\$55,093,708	20.00
TOTAL -- DMH FY 2013 BUDGET		\$1,330,849,411	7,482.28	\$1,333,487,036	7,443.60
DMH EXECUTIVE BUDGET RECONCILIATION:					
Total - DMH FY 2013 Budget		\$1,330,849,411	7,482.28	\$1,333,487,036	7,443.60
<i>Less General Revenue Refunds</i>		<i>(\$49,217)</i>	<i>0.00</i>	<i>(\$49,217)</i>	<i>0.00</i>
<i>Less Fed & Other Funds Refunds</i>		<i>(\$1,000)</i>	<i>0.00</i>	<i>(\$1,000)</i>	<i>0.00</i>
<i>Less Double Appropriation for DOE</i>		<i>(\$70,000)</i>	<i>0.00</i>	<i>(\$70,000)</i>	<i>0.00</i>
<i>Less General Revenue CPS Provider Tax</i>		<i>(\$12,000,000)</i>	<i>0.00</i>	<i>\$0</i>	<i>0.00</i>
<i>Less Double Appropriation for MHIPF</i>		<i>(\$11,595,754)</i>	<i>0.00</i>	<i>(\$11,595,754)</i>	<i>0.00</i>
<i>Less State ICF/MR Facility Provider Tax</i>		<i>(\$4,582,418)</i>	<i>0.00</i>	<i>(\$4,582,418)</i>	<i>0.00</i>
TOTAL - DMH FY 2013 EXECUTIVE BUDGET		\$1,302,551,022	7,482.28	\$1,317,188,647	7,443.60
DMH EXECUTIVE BUDGET BY FUND					
	GR	\$577,894,461	4,982.78	\$600,827,041	4,970.62
	FED	\$682,024,053	2,475.50	\$672,934,552	2,452.98
	OTHER	\$42,632,508	24.00	\$43,427,054	20.00
TOTAL - DMH FY 2013 EXECUTIVE BUDGET		\$1,302,551,022	7,482.28	\$1,317,188,647	7,443.60