

**LEGISLATIVE FISCAL OFFICE
ANALYSIS OF BA-7 REQUEST**

DEPARTMENT: Health

AGENDA NO.: 1A

AGENCY: Behavioral Health

ANALYST: Willis Brewer

<u>Means of Financing</u>		<u>Expenditures by Program</u>		<u>T. O.</u>
State General Fund:	\$0	Administration & Support	\$0	0
Interagency Transfers:	\$6,572,760	Behavioral Health Community	\$0	0
Self-Generated Revenue:	\$0	Hospital Based Treatment	\$6,572,760	76
Statutory Dedications:	\$0	Auxiliary Account	\$0	0
Federal Funds:	\$0			
Total	<u>\$6,572,760</u>	Total	<u>\$6,572,760</u>	<u>76</u>

I. SUMMARY/COMMENTS

Companion BA-7 for agenda item 1B. This BA-7 request increases Interagency Transfers budget authority in the Office of Behavioral Health (OBH) by \$6.6 M. The source of the Interagency Transfer (IAT) funds are federal Medicaid Uncompensated Care (UCC) funds from the LA Department of Health (LDH) Medicaid Vendor Payments (MVP). MVP has a companion BA-7 increasing federal funds by an equal amount.

In 2015, two lawsuits (Cooper and Jackson) were filed by plaintiffs who have either been adjudicated not guilty by reason of insanity (NGBRI) or pretrial (PT) detainees who have been determined mentally incapable to stand trial. The plaintiffs have argued that OBH violated their due process rights, the Americans with Disabilities Act (ADA), and the federal Rehabilitation Act of 1973 by not transferring them from jail to Eastern LA Mental Health System's (ELMHS) quickly to receive mental and behavioral health services in a timely manner. The lawsuits were recently dismissed by the judge because both LDH and the Advocacy Center reached a conceptual agreement to increase the number of available beds for these client types. This BA-7 provides funds to meet the demand to admit clients of all legal status types including Not Guilty By Reason Of Insanity (NGBRI), Incompetent to Proceed to Trial (PT), Judicial Civil (JC), and Unable to be Restored to Competence (648B) at the ELMHS. OBH has been informed by the Centers for Medicare & Medicaid Services (CMS) that the state can draw UCC federal matching funds for clients who have been found un-restorable to competency in the foreseeable future (648B client status) since their legal status has been converted to civil intermediate status and are no longer under the jurisdiction of the criminal court.

OBH will use \$3,980,804 of its existing FY 17 SGF as state match to drawn down the \$6,572,760 in federal match funds in this BA-7. This SGF includes the \$3,469,397 that was appropriated in the FY 17 budget to convert acute beds and forensic beds and \$511,407 used for direct care client services. This SGF was previously not eligible to be used as state match and OBH is not reducing current services to fund this BA-7. The funds were previously used for mental and behavioral services and will continue to be used in this manner. OBH will Certify the Public Expenditures (CPE) and Medicaid Vendor Payment will draw down the federal match funds which will be transferred directly to OBH.

BA-7 Expenditures

Salaries	\$2,646,223
Other Compensation	\$56,194
Related Benefits	\$1,231,311
Travel	\$3,000
Operating Services	\$358,994
Supplies	\$796,219
Professional Services	\$380,600
Other Charges	\$675,219
Acquisitions	\$125,000
Major Repairs	\$300,000
Total	<u>\$6,572,760</u>

This BA-7 increases personal services (salaries, other compensation, and related benefits) by \$3,933,278 and T.O. by 76

LEGISLATIVE FISCAL OFFICE ANALYSIS OF BA-7 REQUEST

positions (average annual salary of \$40,923) to provide mental and behavioral health services for the increase of 86 new beds at ELMHS . The new positions includes 39 correctional guards and/or correctional lieutenants, 16 nurses, 12 psychiatric aides, 3 therapeutic recreation positions, three health information administrative assistants, and 3 custodial personnel. The majority of the positions proposed in this BA-7 are for correctional guard therapeutic (CGT) positions. CGT provides security to maintain custody, safety, and to assist in the application of clinical care for treatment and evaluation of the clients.

Non-personnel related expenditures include operating services (building maintenance and utilities), supplies (pharmaceutical and clothing), professional services (outside doctor and dentist services), other charges (psychiatrist contracts and pastoral care), and acquisition and major repairs (equipment and beds).

The \$6,572,760 of IAT in this BA-7 and the \$3,980,804 of SGF used as match (total funding of \$10,553,564) will allow OBH to increase a total 86 beds at ELMHS. This includes increasing civil bed capacity by 40 beds at ELMHS and this will allow 648B clients that currently occupy forensic beds to be transferred to these civil beds. As a result, these newly opened beds will allow forensic clients that are on the waiting list to be admitted to the hospital. OBH has stated there is currently a waiting list of 10 NGBRI and 7 PT clients for admission to Eastern LA Mental Health System's (ELMHS).

II. IMPACT ON FUTURE FISCAL YEARS

OBH will require a consistent SGF base in order to continue to receive matching funds. The \$3.5 M SGF appropriation is already built into OBH's budget and these funds will have to be annualized in order to continue these services and to continue receiving the matching funds.

III. LEGISLATIVE FISCAL OFFICE RECOMMENDATION

The Legislative Fiscal Office does not have a recommendation on this BA-7 as of this writing. Although the LFO agrees with the concept of this BA-7 request, additional information has been requested from LDH with regard to staffing levels to determine whether the ratios are consistent with the existing staffing ratios at ELMHS and consistent with the conceptual settlement agreement. The LFO will make a recommendation upon receipt and analysis of this information.

**LEGISLATIVE FISCAL OFFICE
ANALYSIS OF BA-7 REQUEST
Approved By JLCB**

DEPARTMENT: Health

AGENDA NO.: **1B**

AGENCY: Medical Vendor Payments

ANALYST: Shawn Hotstream

<u>Means of Financing</u>		<u>Expenditures by Program</u>		<u>T. O.</u>
State General Fund:	\$0	Private Providers	\$0	0
Interagency Transfers:	\$0	Public Providers	\$0	0
Self-Generated Revenue:	\$0	Medicare Buy-Ins & Supplements	\$0	0
Statutory Dedications:	\$0	Uncompensated Care Costs	\$6,572,760	0
Federal Funds:	\$6,572,760			
Total	<u>\$6,572,760</u>	Total	<u>\$6,572,760</u>	<u>0</u>

I. SUMMARY/COMMENTS

Companion BA-7 for agenda item 1A. The purpose of this companion BA-7 request is to increase federal budget authority by \$6,572,760 in the LA Department of Health (LDH), Medical Vendor Payments. The source of these federal funds is Medicaid federal financial participation for mental health facility uncompensated care costs (UCC). Federal funds reimbursement from LDH are based on a certification of public expenditure (CPE) process. The state match requirement (37.72%) is appropriated in the Office of Behavioral Health.

The Office of Behavioral Health will use these funds to cover new salary and operational expenditures associated with the operation of 86 new beds at the Eastern LA Mental Health System (see BA-7 agenda item 1A for expenditure details).

II. IMPACT ON FUTURE FISCAL YEARS

Information provided by the Division of Administration indicates the increase in federal fund authority in this BA-7 is anticipated to be annualized in the Medicaid budget for future fiscal years.

III. LEGISLATIVE FISCAL OFFICE RECOMMENDATION

The Legislative Fiscal Office recommends approval of this BA-7 request.

**LEGISLATIVE FISCAL OFFICE
ANALYSIS OF BA-7 REQUEST
Approved By JLCB**

DEPARTMENT: Culture, Recreation & Tourism

AGENDA NO.: 2

AGENCY: Tourism

ANALYST: Monique Appeaning

<u>Means of Financing</u>		<u>Expenditures by Program</u>		<u>T. O.</u>
State General Fund:	\$0	Administrative	\$0	(1)
Interagency Transfers:	\$0	Marketing	\$0	1
Self-Generated Revenue:	\$0	Welcome Centers	\$0	0
Statutory Dedications:	\$0			
Federal Funds:	\$0			
Total	<u>\$0</u>	Total	<u>\$0</u>	<u>0</u>

I. SUMMARY/COMMENTS

The purpose of this BA-7 request is to transfer one (1) authorized table of organization (T.O.) from the Administrative Program to the Marketing Program. The current T.O. in the Administrative Program is eight (8) and nine (9) in the Marketing Program. The transfer will reduce the T.O. to seven (7) in the Administrative Program and increase the T.O. to ten (10) in the Marketing Program. CRT reports that the agency wants to make the T.O. allocation the same as it was in FY 16 and this is only a technical change.

During the budget development process this position was inadvertently moved from the Marketing Program to the Administrative Program and this BA-7, if approved will return the position to the Marketing Program.

II. IMPACT ON FUTURE FISCAL YEARS

Approval of this BA-7 request will have no impact on future fiscal years.

III. LEGISLATIVE FISCAL OFFICE RECOMMENDATION

The Legislative Fiscal Office recommends approval of this BA-7 request.