

EXPENDITURE JUSTIFICATION – Mental Health Services - 32400

Program Overview: MH Administration has entered into a managed care contract with Kansas Health Solutions (KHS) to assist with its management and purchasing of Medicaid funded community mental health services. KHS contracts with a variety of community mental health providers that include community mental health centers and other private mental health practitioners to provide Medicaid funded mental health services throughout the state. KHS is responsible for ensuring persons with mental illness who are Medicaid eligible receive a comprehensive array of timely, quality, accessible, and effective mental health services in all areas of the state. The goal of these services is for persons with mental illness to experience recovery and live safe, healthy, successful, self-determined lives in their home and community.

In addition to a full array of Medicaid funded community-based mental health services, KHS manages MediKan funded mental health services, the Home and Community-Based Services Waiver for Children with a serious emotional disturbance (SED Waiver), and the Psychiatric Residential Treatment Facility Community-Based Alternatives Waiver (PRTF CBA). The mental health MediKan program provides state general funded community-based mental health services for persons who are in the process of applying for federal disability benefits that will allow them to become Medicaid eligible. Eligibility for MediKan is limited to 12 months, at which time either the person has gained Medicaid eligibility or they are without benefits. The MediKan eligibility period was reduced from 24 months to 12 months this year due to budget constraints. CMHCs must then use their state funds to provide needed services to persons who lose MediKan eligibility. State grants have also been reduced due to budget constraints (see 32200 MH Grants for more detail on grants). The SED Waiver allows children with an SED who would otherwise be eligible to be served in a state mental health hospital access to Medicaid funding for community-based mental health services without regard to their families' income. The PRTF CBA provides funding for community-based mental health services for children who would otherwise be eligible for PRTF placement or who are being discharged from a PRTF.

For FY 2012 the KHS agreement has been changed to a risk agreement. KHS and SRS have agreed upon actuarially sound per member per month (PMPM) rates that cover KHS administration, screening costs, and costs of direct medical mental health services. KHS is at full risk for the cost of its administration of the program. KHS is also at risk for the cost of direct medical services up to \$6.1 million above the amount paid for services that are included in the PMPM payment amounts. Should KHS payments for medical services be more than \$6.1 million over the PMPM payment amounts, SRS will cover the difference. Conversely, KHS is allowed to keep any amount paid in the PMPM for direct medical services that is not needed to pay for medical services up to \$6.1 million. Any savings in excess of \$6.1 million will be returned to SRS.

Object Code 5200: Contractual Services

Prior to the risk agreement with KHS, contracts for screening costs were budgeted here. These costs are now part of the risk agreement and are included in the chart below.

NARRATIVE INFORMATION – DA 400
Division of the Budget
State of Kansas

AGENCY NAME: KS Department of Social and Rehabilitation Services
PROGRAM TITLE: Disability and Behavioral Health Services
SUBPROGRAM TITLE: MH Managed Care

Object Code 5500: Grants and Assistance

Summary: The following table details the Mental Health Services Caseload

How Funds Are Distributed – CG = Competitive Grants; E = Entitlement; ER = Eligibility Requirements
 What Population is Served – C = Children; A = Adults; F = Families

Item	Dis	Pop	FY 2011 Actual	FY 2012 Current Year as of Fall 2010 CCE	GBA	Remove State Funded Screenings	Add Administration Budget	FY 2012 Request	FMAP Adjustment	CIF Reduction	Allocated Budget FY 2013 Total
Avg Monthly Persons Served			27,000					28,683			28,683
Avg Monthly Cost Per Person			\$616					\$604			\$596
Total Expenditures	ER	C/A	\$199,643,642	\$213,851,200	(\$17,000,000)	(\$1,820,000)	\$12,800,000	\$207,831,200	\$0	(\$2,700,649)	\$205,130,551
<i>Financing</i>											
State Funds			\$63,033,496	\$87,364,314	(\$7,240,000)	(\$1,820,000)	\$6,450,000	\$84,754,314	\$1,187,488		\$85,941,802
Other State Funds - CIF			\$3,800,000	\$3,800,000				\$3,800,000		(\$1,164,790)	\$2,635,210
Federal - Medicaid			\$116,097,298	\$122,399,686	(\$9,760,000)		\$6,350,000	\$118,989,686	(\$1,184,638)	(\$1,535,859)	\$116,269,189
Federal - Medicaid - ARRA			\$15,764,690					\$0			\$0
Federal - PRTF CBA			\$823,729	\$287,200				\$287,200	(\$2,850)		\$284,350
Federal - PRTF CBA ARRA			\$124,429					\$0			\$0
Total			\$199,643,642	\$213,851,200	(\$17,000,000)	(\$1,820,000)	\$12,800,000	\$207,831,200	\$0	(\$2,700,649)	\$205,130,551

Note: Due to moving to a risk-based contract, administration is added to the caseload budget in FY2012. The FY2011 caseload totals above do not include administration (it was paid in the Mental Health Administration budget.)

FY 2012: \$207,831,200 - The amount estimated for FY 2012 is \$17 million less than the amount forecasted to be needed in the fall 2010 consensus caseload estimate (CCE) for FY 2012. KHS' PMPM was in part calculated assuming these savings would be achieved. Any amount of the required \$17 million in savings not achieved in the KHS contract will be achieved in PRTFs and NFs/MH.

FY 2013: \$205,130,551 - The Children's Initiative Fund (CIF) was reduced as overall revenues to the CIF are expected to be significantly lower in FY2013. FY 2013 assumes a flat growth in this program. This assumption will be revisited in the consensus caseload estimating process.