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May, 2019 Joint Committee on Finance Paper #362

Crisis Intervention Services and Regional Crisis Stabilization Facility Grant Program (Health Services -- Medical Assistance and Behavioral Health)

[LFB 2019-21 Budget Summary: Page 171, #9 and Page 221, #1]

CURRENT LAW

All counties are required to have an emergency mental health service program, also known as crisis intervention service, to respond to individuals experiencing a crisis. At a minimum, emergency programs must offer 24-hour crisis telephone service and 24-hour in-person service on an on-call basis. Telephone service must be staffed by mental health professionals or paraprofessionals or by trained mental health volunteers, backed up by mental health professionals.

In order to receive reimbursement under the state's medical assistance program (for services provided to persons who are eligible under that program), an emergency mental health services program must have additional features, such as a mobile crisis team for on-site in person response, walk-in services, and short-term voluntary or involuntary hospital care when less restrictive alternatives are not sufficient to stabilize an individual experiencing a mental health crisis. All but six counties (Bayfield, Douglas, Florence, Iron, Trempealeau, and Vernon are the exceptions) have a crisis intervention service that meets MA certification criteria or participate in a multi-county certified program.

As with some other county-administered mental health services, counties are responsible for the nonfederal share of the MA reimbursement for crisis intervention services.

A law enforcement officer (or a person authorized to take a child or juvenile into custody under the state's children code or juvenile code) may take a person into custody if the officer has cause to believe all of the following: (a) the person is mentally ill or drug dependent; (b) the person evidences a substantial probability of physical harm to himself or herself or to others, including an inability to satisfy his or her basic needs due to mental illness or drug dependency; and (c) taking

the person into custody is the least restrictive alternative appropriate to the person's needs.

Once a person is in custody, the county department of human services must conduct a crisis assessment, either in person, by telephone, or by telemedicine or video conferencing technology, to determine if the person meets the criteria for emergency detention. If, following this assessment, the county department agrees for the need for detention, the person must be delivered to an approved treatment facility, if the facility agrees to take the individual, or to a state mental health institute. The Winnebago Mental Health Institute, in Oshkosh, is the state's designated treatment facility for subjects of emergency detention. DHS charges counties a daily rate and some service add-on fees to cover the cost of the care and treatment services provided at Winnebago. The Milwaukee County Behavioral Health Division operates an emergency detention facility for Milwaukee County residents.

GOVERNOR

Crisis Intervention Services under MA. Increase MA benefits funding by $9,210,100 ($6,960,700 GPR and $2,249,400 FED) in 2019-20 and by $28,047,900 ($18,420,300 GPR and $9,627,600 FED) in 2020-21 to reflect estimated costs of provisions in the bill that would increase the state's share of the cost of county crisis intervention services provided to MA recipients.

Require DHS to reimburse crisis intervention providers for MA-eligible services provided after January 1, 2020, an amount equal to the total federal and nonfederal share of costs, minus a county maintenance of effort contribution, if the services are provided in a county that elects to deliver crisis intervention services on a regional basis according to criteria established by the Department. Establish the county maintenance of effort for crisis intervention services equal to 75% of the county's expenditures for crisis intervention services under MA in 2017, as determined by the Department. Specify that any amount of the nonfederal share of crisis intervention services paid by the state may not be counted as a county cost for the purpose of claiming federal reimbursement for unreimbursed county costs.

Modify the statutory description of "mental health crisis intervention services" by deleting the reference to "mental health" and instead specifying that such services are for the treatment of mental illness, intellectual disability, substance abuse, and dementia. DHS indicates that this broader definition of crisis intervention services is, in practice, consistent with the current use of these services.

Regional Crisis Stabilization Facility Grant Program. Provide $2,500,000 GPR in 2020-21 for a new grant program to fund regional crisis stability facilities for adults. Create an annual, sum certain appropriation for the program and require DHS to establish criteria for stabilization facilities for adults and to award grants under the program.

DISCUSSION POINTS

1. The bill includes two provisions relating to mental health crisis response. One provision would change the state's medical assistance program reimbursement policy for crisis intervention

services, while the other would provide grant funding to support regional crisis stabilization facilities. Since both provisions are intended to address some of the same issues and can be considered part of the administration's overall mental health crisis strategy, they are discussed together in this paper.

Crisis Intervention Services under Medical Assistance

2. Under DHS administrative code, a "crisis" is defined as a situation caused by an individual's apparent mental disorder which results in a high level of stress or anxiety for the individual, persons providing care for the individual or the public which cannot be resolved by the available coping methods of the individual or by the efforts of those providing ordinary care or support for the individual. As defined in this rule and used in this context, a "mental disorder" includes psychiatric conditions, but also dementia and substance addiction. The current statutory provisions pertaining to the MA crisis intervention service refers to "mental health" crisis, which is potentially more limiting than the definition of "mental disorder" in the administrative rule since it does not encompass situations relating to dementia and addiction. The Governor's bill would broaden the definition of crisis intervention services to include mental illness, intellectual disability, substance abuse, and dementia. The Department indicates that this change is intended to align the statutes with administrative code and how crisis intervention services are used in practice.

3. Crisis intervention services involve the assessment, intervention, and stabilization of an individual experiencing a crisis stemming from a mental disorder. Services can be provided at any location, including in a person's home, a school, hospital, nursing home, or public place. Services that are normally rendered by a mental health professional in the course of regular treatment (such as psychotherapy sessions) are not considered crisis intervention services.

4. Crisis services include the initial contact and stabilization, but can also include follow-up service planning. Follow-up interventions may include the development of a crisis plan and providing linkages to other providers for ongoing treatment and support, with the goal of reducing the risk of a continuation or worsening of the crisis, and the need for hospitalization.

5. Medical assistance reimburses for crisis intervention services rendered to individuals who are enrolled in the program. Services are reimbursed on an hourly or daily basis. Hourly rates vary between $53 and $88, depending upon the professional level of the provider, while the daily rate is $83.

6. Counties submit crisis intervention claims to MA for services provided to individuals enrolled in MA. The program reimburses the counties only for the federal share of the claim, meaning that the nonfederal share remains a county responsibility. In addition to the claim payment, crisis intervention service is one of several mental health services provided by counties for which the counties submit annual cost reports to DHS for unreimbursed costs (costs above the total claim reimbursement). Counties receive an additional payment equal to approximately 83% of the federal share of these unreimbursed costs. The remainder of the federal claim is deposited in the MA trust fund and used to offset GPR costs for MA benefits.

7. DHS recently prepared a report, in collaboration with county behavioral health agencies, entitled *Toolkit for Improving Crisis Intervention and Emergency Detention Services*. The report

identified numerous "obstacles to improvement" in the current crisis response system, including: (a) lack of staff and funding for crisis response; (b) limited availability of crisis beds; (c) lack of communication between behavioral health agencies, families, hospitals, and law enforcement; and (d) delays in crisis team response due to large coverage areas.

8. Although counties are required to have a crisis intervention service and most have a service that meets more stringent criteria for MA certification, DHS believes that the amount of county resources allocated for these services is highly variable. As a result, the county programs vary in their capacity to respond to crisis situations and have adopted different standards and procedures.

9. DHS argues that one of the consequences of variability in crisis intervention services is that some counties do not have the capacity to respond appropriately to all crisis situations. Many counties do not have mobile crisis teams, for instance, that can travel to the location of a crisis, or a designated facility to provide crisis stabilization services. As a result, DHS believes that some crisis situations that could be addressed with crisis intervention services instead become the sole responsibility of law enforcement agencies.

10. The Department's crisis intervention report identifies collaboration with law enforcement agencies as an important part of an effective crisis response system, and notes that many law enforcement agencies have taken steps to train officers to recognize and respond appropriately to mental health crisis situations. However, the county crisis intervention service includes mental health professionals in order to provide the full range of crisis stabilization services that law enforcement agencies are not in a position to provide. DHS argues that a more robust county crisis intervention system, with more consistent standards and protocols, could reduce the burden of mental health crisis on the justice system, including law enforcement, courts, and county jails.

11. The Department also argues that a comprehensive crisis intervention system can be one component of a strategy to reduce the need for emergency detention in a psychiatric hospital or state mental health institute. A crisis response team is most effective if it has the capacity to respond in a timely fashion to a person experiencing a crisis and is able to both provide stabilization services as well as follow-up planning and referral to ongoing treatment and support. Ideally, a rapid and comprehensive response to a crisis can help connect the person with community resources on a voluntary basis, thus reducing the likelihood that the person will require involuntary commitment.

12. The budget proposal is intended to address some of the Department's concerns with the current crisis intervention system. Beginning January 1, 2020, the state would assume a portion of the cost of the nonfederal share of MA-funded crisis intervention services. The Department believes that if the state assumes a portion of the cost, access to quality crisis intervention services will no longer be limited by county financial constraints.

13. In order to receive state funding for crisis intervention services, counties would be required to deliver crisis intervention services on a regional basis according to criteria established by DHS. The bill would not establish any specific criteria, but DHS suggests, for instance, that each participating county or multi-county provider could be required to have crisis response teams with the ability to respond at all times.

14. The administration's crisis intervention proposal is similar to a provision included in the 2013-15 biennial budget relating to the comprehensive community services (CCS) MA benefit. CCS is a psychosocial rehabilitation program for persons with severe mental illness or substance abuse disorder, providing intensive treatment in combination of various supportive services. Beginning in 2014, the state assumed the nonfederal share of CCS costs from the counties, provided that services were provided on a regional basis in accordance with DHS criteria.

15. For the purposes of CCS, DHS requires counties with a population of 350,000 or less to offer program services as part of a multi-county regional model. Requiring regional collaboration is intended to improve the efficiency of service delivery, particularly for smaller and rural counties. Currently there are 63 counties that participate in a multi-county CCS program. The three counties above the population threshold (Dane, Milwaukee, and Waukesha) are considered to meet the regional delivery requirement for the purposes of MA reimbursement as single-county CCS providers. The Department indicates that the crisis intervention benefit would use the CCS regionalization model, with the goal of increasing the efficiency and consistency of these services. Unlike the proposed crisis intervention initiative, the state pays the full nonfederal share of CCS.

16. The administration's fiscal estimate assumes that the total utilization of crisis intervention services would increase by 20% in 2019-20 and 30% in 2020-21 above the baseline trend, based on the assumption that counties that currently have less developed crisis intervention programs would expand services. The GPR increases in the bill reflect the impact of the this growth, as well as the state assuming the county share, net of the county maintenance of effort. The FED increases reflect the growth in the use of crisis intervention services resulting from the expansion of those services.

17. The Department indicates that the projected increases in crisis intervention services is based on the initial rate of growth in CCS costs after the state assumed the nonfederal share of that program. The fiscal estimate should be characterized as an approximation since there is considerable uncertainty on how counties would respond to the new provision. The presumption is that there is considerable unmet need for crisis intervention that counties would begin to address given the incentives presented by the program changes. The magnitude of that unmet need, as well as the timing of the county's response is difficult to project with certainty.

18. As with CCS, one of the reasons cited for increasing crisis intervention services is that a more proactive approach to this particular service can reduce utilization of more costly services. While it is possible that the increased use of crisis intervention service would result in offsetting savings elsewhere in the program or result in savings to counties for other programs, it is difficult to assess likelihood or magnitude of these impacts. The fiscal estimate in the bill does not reflect any assumptions on reduced costs for other MA services or in other state or local programs.

19. Under the bill, counties that provide MA-certified crisis intervention services would continue to be required to contribute a portion of the cost of those services. For each county, the maintenance of effort (MOE) contribution would equal 75% of its 2017 crisis intervention expenditures. DHS indicates that the mechanism for collecting the county MOE has not been finalized, but suggests that one possibility to reduce the complexity of the process would be to deduct an amount from each county's annual human services funding contract. This funding would be used

to offset the state cost of MA reimbursement for crisis intervention services.

20. The decision to include a county MOE would be similar to other initiatives that involve the state taking over some portion of county responsibilities. An MOE is intended to ensure that state funding does not displace county resources. As an example, the 2017-19 budget included a provision that requires counties to maintain a level of spending of county resources for children's long-term care waiver services (CLTS). Unlike the proposed crisis intervention services MOE, the CLTS provision requires the MOE to be established at the full level of prior county expenditures, rather than a fraction of prior county expenditures.

21. In calendar year 2017, DHS estimates that the total county share of MA crisis intervention services claims was $21.4 million. The county MOE under the bill would be calculated as 75% of that amount, or $16.1 million.

22. While an MOE has the advantage of reducing state costs associated with the crisis intervention initiative, there are disadvantages to this approach. Because the proposed MOE is based on county spending at a fixed point in time, it would effectively lock in past patterns of uneven county effort. Consequently, counties that had put more resources into developing a comprehensive crisis response system would fare worse than counties who had put in fewer resources. Based on the manner in which DHS calculated the fiscal estimate for the bill, some counties would have no MOE since they had no federal claims for crisis intervention services in 2017.

23. Another disadvantage of the proposed MOE provision is that the use of just one year as the basis for the calculation could result in a county having an MOE that is not representative of typical annual expenditures over time. Particularly for small counties, expenditures can vary substantially from year to year based on random variation in the need for crisis services. Because 2017 might have been either a high utilization year or a low utilization year for a county, the MOE could be either substantially higher or substantially lower than the typical level of expenditures.

24. Representatives of county human services agencies have raised some concerns about the impact of the crisis intervention proposal. They indicate that for many counties the additional costs associated with expanding crisis intervention services would outweigh the additional reimbursement that they would receive from MA. This may particularly be the case since county crisis intervention programs provide services to individuals who are not eligible for MA, and so are not reimbursable. For these reasons, they indicate that the crisis intervention provision, as structured, does not provide sufficient incentive to accomplish the goals of expanding and standardizing county crisis intervention services.

25. In spite of these concerns, the Committee could take the approach of adopting the crisis intervention system as proposed on the grounds that some counties may decide to adopt the regional approach, but that no county would be required to participate. In this case, the Legislature could reconsider the issue in future biennia after seeing the impact of the policy. If it turns out that few counties participate, the state could adjust the incentives to encourage additional counties to expand their crisis service programs.

26. Given the opinion expressed by some county human service agencies that the incentives

created by the crisis intervention proposal are not sufficient to outweigh the additional county costs, an adjustment to the fiscal estimate may be warranted. The bill's fiscal effect is premised on the assumption that all counties with existing certified crisis intervention systems would participate. If only some counties participate, the anticipated growth in crisis services may not materialize, or may be delayed. Assuming that one-half of counties participate and crisis service growth occurs at one-half the assumed, rate, the funding increase would be $3,043,000 ($2,855,500 GPR and $187,500 FED) in 2019-20 and $10,353,600 ($9,242,000 GPR and $1,111,600 FED) in 2020-21. Relative to the bill, this would represent reductions of $6,167,100 (-$4,105,200 GPR and -$2,061,900 FED) in 2019-20 and $17,694,300 (-$9,178,300 GPR and -$8,516,000 FED) in 2020-21 (Alternative A1).

27. The 75% MOE (when using the 2017 expenditures as the basis for calculations) has the effect of saving the state an estimated $16,071,100 on an annualized basis, compared to not having an MOE and if all counties participate. The state could, however, take the same approach as with CCS, by taking over the full nonfederal share of crisis intervention services, without establishing an MOE. This would create a stronger incentive for counties to participate in a regionalized system and free county resources to developing a stronger crisis response infrastructure, but would increase state costs, relative to the bill. Assuming that a full takeover of the nonfederal share would create the incentives necessary to result in the service expansion as anticipated by the Department, GPR costs would increase by an estimated $8,035,500 GPR in 2019-20 and $16,017,100 GPR in 2020-21 compared to the bill (Alternative A2).

28. If the Committee approves of the policy of having the state assume a portion of the cost of the nonfederal share of crisis intervention services with an MOE, it could approve the method of calculating the MOE as specified in the bill (Alternative B1). Alternatively, the MOE provision could specify that the calculation be based on a three-year average of county expenditures, rather than 2017 expenditures. This would reduce the impact of year-to-year variation in a county's expenditures on the MOE (Alternative B2).

Regional Crisis Stabilization Facility Grants

29. The bill would create a new grant program, funded at $2,500,000 in 2020-21, to support regional crisis stabilization facilities for adults. The bill would require DHS to establish criteria for such facilities, giving the Department broad discretion to determine the staffing and treatment standards for such facilities.

30. The Department's Crisis Intervention Toolkit report recommends that the state and local governments establish residential crisis stabilization programs. These facilities are described as "low-cost, short-term, sub-acute programs for individuals who need support and observation to avoid high-cost, hospital-based acute care."

31. DHS indicates that currently a few larger counties operate crisis stabilization facilities for their residents, but that this is generally uncommon. For all but the largest counties, the cost to maintain a 24-hour facility is too great in relation to the expected utilization to justify the expense. The proposed grant program is intended to help support the start-up and operational costs of a crisis stabilization facility, possibly supported also with county funds. The Department envisions that these facilities could achieve greater efficiencies by accepting residents from across a multi-county region.

32. The current crisis stabilization facilities are licensed by the Department as a type of community-based residential facilities (CBRFs). Under DHS administrative rules, a CBRF has capacity for at least five individuals and provides treatment, care, or services in addition to room and board, including up to three hours per week of nursing services. CBRFs are commonly established to provide assisted living for disabled or elderly persons, but can also be designed for other purposes, such as crisis stabilization.

33. Crisis stabilization facilities are intended to reduce the need for hospitalization, including emergency detention, but would not serve as an alternative site for when involuntary emergency detention or civil commitment is required.

34. To the extent possible, existing regional crisis stabilization centers bill MA or commercial insurance for services. For more sparsely-populated counties, however, billing directly for services may not be sufficient to fully support the operation of a facility. The grant funds would be intended to support start-up costs for regional centers or provide ongoing support for centers that would not otherwise have the volume to remain self-sufficient on the basis of charges alone.

35. The Department indicates that the goal of the grant program would be to establish five regional crisis stabilization facilities for adults. The funding provided by the bill would allow the Department to make five grants of $500,000 for each center. Based on existing CBRF costs, this amount would be equivalent to the amount needed to support between four and five beds without other sources of reimbursement, or between 20 and 25 beds statewide.

36. As with the MA crisis intervention services reimbursement initiative, the crisis stabilization center grant proposal is intended to support counties with the delivery of mental health services to their residents. The assistance of county efforts is likely to be most beneficial for counties with smaller populations or that face greater travel distance to existing facilities. More opportunities for subacute crisis stabilization may allow these counties to reduce the costs that they would incur for crisis services, including emergency detention. If the Committee agrees that the state should increase efforts to support county mental health systems, the proposed grant program for crisis stabilization centers could be approved (Alternative C1).

37. If the Committee determines that counties should retain substantial responsibility for funding mental health crisis services, including crisis stabilization facilities, the proposed grant program could be disapproved (Alternative C2).

ALTERNATIVES

A. Crisis Intervention Services Reimbursement -- State Funding and Level of County Maintenance of Effort

1. Approve the Governor's recommendation to: (a) increase MA benefits funding to reflect estimated costs of provisions in the bill that would increase the state's share of the cost of county crisis intervention services provided to MA recipients; (b) create a county MOE requirement equal to 75% of each county's 2017 expenditures for crisis intervention services; and (c) modify the statutory

definition of crisis intervention services to match the definition used in current administration rules. Reduce funding by $6,167,100 (-$4,105,200 GPR and -$2,061,900 FED) in 2019-20 and $17,694,300 (-$9,178,300 GPR and -$8,516,000 FED) in 2020-21 to reflect a reestimate of the impact of the incentives created by the policy.

ALT A1	Change to Base	Change to Bill
GPR	$12,097,500	-$13,283,500
FED	1,299,100	-10,577,900
Total	$13,396,600	-$23,861,400

2. Approve the Governor's recommendations with respect to crisis intervention services, but modify the proposal by deleting the county MOE requirement. Increase funding in the bill by $8,035,500 GPR in 2019-20 and $16,017,100 GPR in 2020-21 to reflect the state fiscal effect of eliminating the MOE.

ALT A2	Change to Base	Change to Bill
GPR	$49,433,600	$24,052,600
FED	11,877,000	0
Total	$61,310,600	$24,052,600

3. Take no action.

ALT A3	Change to Base	Change to Bill
GPR	$0	- $25,381,000
FED	0	- 11,877,000
Total	$0	- $37,258,000

B. Method of Calculating County Contribution

1. Approve the Governor's recommendation to calculate the county MOE based on 2017 county expenditures.

2. Modify the calculation of county MOE by specifying that the MOE is the annual average county expenditures in 2016, 2017, and 2018.

C. Regional Crisis Stabilization Facility Grant Program

1. Approve the Governor's recommendation to provide $2,500,000 GPR in 2020-21 for a regional crisis stabilization facility grant program.

ALT C1	Change to Base	Change to Bill
GPR	$2,500,000	$0

2. Take no action.

ALT C2	Change to Base	Change to Bill
GPR	$0	- $2,500,000

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