

# The Oklahoma Department of Mental Health and Substance Abuse Services

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Lead Administrator: Terri White, Commissioner of the ODMHSAS

| FY'18 Projected Division/Program Funding By Source |                      |                     |                     |            |            |                      |
|--|----------------------|---------------------|---------------------|------------|------------|----------------------|
|  | Appropriations       | Federal             | Revolving           | Local      | Other      | Total                |
| Central Administration                             | \$7,339,022          | \$1,449,895         | \$910,761           | \$0        | \$0        | \$9,699,678          |
| Inpatient Hospitals                                | \$44,998,182         | \$768,666           | \$11,964,767        | \$0        | \$0        | \$57,731,615         |
| Community Based Svcs                               | \$216,945,014        | \$37,913,732        | \$46,914,242        | \$0        | \$0        | \$301,772,988        |
| CMHCs  | \$31,176,006         | \$810,745           | \$18,371,017        | \$0        | \$0        | \$50,357,768         |
| Prevention Services                                | \$2,485,178          | \$9,602,564         | \$529,834           | \$0        | \$0        | \$12,617,576         |
| Information Services                               | \$3,541,747          | \$511,921           | \$2,456,285         | \$0        | \$0        | \$6,509,953          |
| <b>Total</b>                                       | <b>\$306,485,149</b> | <b>\$51,057,523</b> | <b>\$81,146,906</b> | <b>\$0</b> | <b>\$0</b> | <b>\$438,689,578</b> |

\* ODMHSAS was originally appropriated \$327M for FY 18, which was still \$3.5M short in order to maintain existing services. Because of the cigarette fee being overturned as unconstitutional, ODMHSAS's budget was cut by \$75M. Certain actions by the Legislature and Governor during special session partially reduced that deficit; however, ODMHSAS still needs an additional \$21.5M in order to provide services past April 2018. Otherwise, the department will be forced to make significant cuts to critical services for thousands of Oklahomans.

Additionally, for FY18, the legislature has directed ODMHSAS to expend \$500,000 from the ODMHSAS Revolving Fund as part of the agency's total appropriation. As described more fully below, these are funds that are already obligated/encumbered to provide payments to private providers for treatment services rendered.

| FY'17 Carryover and Refund by Funding Source |                |         |           |       |        |       |
|--|----------------|---------|-----------|-------|--------|-------|
|  | Appropriations | Federal | Revolving | Local | Other* | Total |
| FY'17 Carryover                              | \$ -           | \$ -    | \$ -      | \$ -  | \$ -   | \$0   |

\*Source of "Other" and % of "Other" total for each.

## What Changes did the Agency Make between FY'17 and FY'18?

**1.) Are there any services no longer provided because of budget cuts?**

ODMHSAS was forced to cut \$3.5 million in order to submit a balanced budget due primarily to the increase in FMAP going into FY18 in the state's Medicaid program. ODMHSAS cut \$3.5 million by establishing yearly limits on the amount of behavioral health case management that is reimbursable by Medicaid and ODMHSAS on a fee-for-service basis. The current limit of 25 units per member per month was reduced to 16 units per member per year. There are processes to receive some additional case management for those who demonstrate a heightened medical necessity. Unfortunately, as is true with any cuts made to behavioral health services, it is expected that these cuts will impact services delivered by other state agencies along with community-level services including hospital/emergency room care and law enforcement.

Shortly into this fiscal year, ODMHSAS lost \$75M in appropriations when the Supreme Court ruled the cigarette fee to be unconstitutional in August 2017. The Governor signed a bill in early November which directed Rainy Day funds to ODMHSAS which reduced that gap to \$52 million. The Governor's veto preserving portions of HB1019 further shrinks that gap to \$21.5 million. This got us another step closer to addressing funding needs, and we now need the legislature and Governor to come together and reduce that deficit to zero. Oklahoma cannot afford to continue cutting these lifesaving services without experiencing devastating consequences. We are spending significantly more as a state to address the negative consequences of inaction than what we would spend to fund prevention and treatment services.

**2.) What services are provided at a higher cost to the user?**

None

**3.) What services are still provided but with a slower response rate?**

No additional changes were made to ODMHSAS service delivery.

**4.) Did the agency provide any pay raises that were not legislatively/statutorily required? If so, please provide a detailed description in a separate document.**

No pay adjustments were included in the FY-2018 BWP

| FY'19 Requested Division/Program Funding By Source |                      |                     |                     |            |                      |               |
|--|----------------------|---------------------|---------------------|------------|----------------------|---------------|
|  | Appropriations       | Federal             | Revolving           | Other      | Total                | % Change      |
| Central Administration                             | \$7,339,022          | \$1,449,895         | \$910,761           | \$0        | \$9,699,678          | 0.00%         |
| Inpatient Hospitals                                | \$44,998,182         | \$768,666           | \$11,964,767        | \$0        | \$57,731,615         | 0.00%         |
| Community Based Svcs                               | \$405,957,724        | \$37,913,732        | \$46,914,242        | \$0        | \$490,785,698        | 62.63%        |
| CMHCs  | \$31,176,006         | \$810,745           | \$18,371,017        | \$0        | \$50,357,768         | 0.00%         |
| Prevention Services                                | \$4,070,843          | \$9,602,564         | \$529,834           | \$0        | \$14,203,241         | 12.57%        |
| Information Services                               | \$3,541,747          | \$511,921           | \$2,456,285         | \$0        | \$6,509,953          | 0.00%         |
| <b>Total</b>                                       | <b>\$497,083,524</b> | <b>\$51,057,523</b> | <b>\$81,146,906</b> | <b>\$0</b> | <b>\$629,287,953</b> | <b>43.45%</b> |

\*Source of "Other" and % of "Other" total for each.

| FY'19 Top Five Appropriation Funding Requests                         |              |                    |
|---|--------------|--------------------|
|   | \$ Amount    | Maintenance Detail |
| 1 Maintain existing programs  | \$40,056,835 |                    |
| a. Behavioral Health Program Growth (1.86%)                           |              | \$2,736,209        |
| b. SCHIP FMAP Decrease from Enhanced to Regular (94.96% to 59.73%)    |              | \$12,253,463       |
| c. 2004 Tobacco Taxes (Adolescent Substance Abuse)                    |              | \$1,266,824        |
| d. Restoration of Provider Rate and Therapy Cuts                      |              | \$23,800,339       |
| 2 Alcohol Dependence Treatment and Prevention                         | \$37,817,372 |                    |
| 3 Marijuana Treatment & Prevention Costs Resulting from SQ 788        | \$3,513,989  |                    |
| 4 Smart on Crime Initiative   | \$96,610,000 |                    |
| 5 Improving Behavioral Health Access for Oklahoma's Health and Safety | \$12,600,179 |                    |

**Top Five FY-19 Requests**

**\$190,598,375**

**How would the agency handle a 5% appropriation reduction in FY'19?**

A flat budget is in itself a reduction of \$16.3 M, the cost of maintaining services at the current level. This is on top of the \$23M cut the department was forced to take in FY16. Using an average cost for services of \$2,000 per person (inpatient, residential and outpatient services combined), this would mean a loss of treatment services to approximately 8,100 Oklahomans. An additional 5% cut to appropriations would be another \$16.4 M cut to treatment services on top of unmet maintenance needs. That could mean the elimination of treatment services for another 8,200 Oklahomans. A combined cut to maintenance needs and a 5% cut to appropriations would mean a \$32.6 M treatment loss, plus an accompanying loss of \$78.7M in federal matching funds, for a total loss of \$111.3 M, resulting in 55,643 Oklahomans being impacted. This is in addition to the 73,000 Oklahomans who already lost services due to the forced cuts in FY16. Cuts would be experienced by both public and private providers and could result in closing satellite facilities, reducing hours, reducing services below clinical indicators, or through other actions that will adversely affect the health of Oklahomans (as well as local economies). Specifically, when individuals do not receive needed services, we see an increase in crisis situations, requiring increased law enforcement transportation and criminal justice system involvement, emergency room admissions, and foster care involvement. Additionally, federal funding could be reduced if state appropriations do not address maintenance needs and appropriations are cut by 5%.

**How would the agency handle a 7.5% appropriation reduction in FY'19?**

A flat budget is in itself a reduction of \$16.3 M, the cost of maintaining services at the current level. This is on top of the \$23M cut the department was forced to take in FY16. Using an average cost for services of \$2,000 per person (inpatient, residential and outpatient services combined), this would mean a loss of treatment services to approximately 8,100 Oklahomans. An additional 7.5% cut to appropriations would be another \$24.56 M cut to treatment services on top of unmet maintenance needs. That could mean the elimination of treatment services for another 12,280 Oklahomans. A combined cut to maintenance needs and a 7.5% cut to appropriations would mean a \$40.8 M treatment loss, plus an accompanying loss of \$98.5 M in federal matching funds, for a total loss of \$139.3M, resulting in 69,640 Oklahomans being impacted. This is in addition to the 73,000 Oklahomans who already lost services due to the forced cuts in FY16. Cuts would be experienced by both public and private providers and could result in closing satellite facilities, reducing hours, reducing services below clinical indicators, or through other actions that will adversely affect the health of Oklahomans (as well as local economies). Specifically, when individuals do not receive needed services, we see an increase in crisis situations, requiring increased law enforcement transportation and criminal justice system involvement, emergency room admissions, and foster care involvement. Additionally, federal funding could be reduced if state appropriations do not address maintenance needs and appropriations are cut by 7.5%.

**How would the agency handle a 10% appropriation reduction in FY'19?**

A flat budget is in itself a reduction of \$16.3M, the cost of maintaining services at the current level. This is on top of the \$23M cut the department was forced to take in FY16. Using an average cost for services of \$2,000 per person (inpatient, residential and outpatient services combined), this would mean a loss of treatment services to approximately 8,100 Oklahomans. An additional 10% cut to appropriations would be another \$32.75 M cut to treatment services on top of unmet maintenance needs. That could mean the elimination of treatment services for another 16,400 Oklahomans. A combined cut to maintenance needs and a 10% cut to appropriations would mean a \$49 M treatment loss, plus an accompanying loss of \$118.3M in federal matching funds, for a total loss of \$167.3 M, resulting in 83,636 Oklahomans being impacted. This is in addition to the 73,000 Oklahomans who already lost services due to the forced cuts in FY16. Cuts would be experienced by both public and private providers and could result in closing satellite facilities, reducing hours, reducing services below clinical indicators, or through other actions that will adversely affect the health of Oklahomans (as well as local economies). Specifically, when individuals do not receive needed services, we see an increase in crisis situations, requiring increased law enforcement transportation and criminal justice system involvement, emergency room admissions, and foster care involvement. Additionally, federal funding could be reduced if state appropriations do not address maintenance needs and appropriations are cut by 10%.

**Is the agency seeking any fee increases for FY'19?**

|  | \$ Amount |
|--|-----------|
| No, ODMHSAS is not seeking any fee increases in FY-19. | \$0       |

**What are the agency's top 2-3 capital or technology (one-time) requests, if applicable?**

|   |                     |
|---|---------------------|
| 1 Storm shelters for the Children's Recovery Center and the Rose Rock Recovery Center | \$2,000,000         |
| 2 Generator for Jim Taliaferro Community Mental Health Center in Lawton               | \$376,450           |
| 3 Construct replacement building for the Lighthouse treatment facility in Woodward    | \$12,000,000        |
| <b>Total</b>  | <b>\$14,376,450</b> |

## Federal Government Impact

**1.) How much federal money received by the agency is tied to a mandate by the Federal Government?**

None - The agency provides state match for the Medicaid program but does not receive the corresponding federal dollars.

**2.) Are any of those funds inadequate to pay for the federal mandate?**

No

**3.) What would the consequences be of ending all of the federal funded programs for your agency?**

Ending block and categorical grants will result in a 12.4% reduction of Mental Health and Substance Abuse Treatment and Prevention services. In addition, ending Federal Medicaid participation will cost the State over \$360M in behavioral health services.

**4.) How will your agency be affected by federal budget cuts in the coming fiscal year?**

Any budget cut to the \$51 M in federal funds received by the agency will result in the reduction and/or elimination of the respective programs. For example, the Homeless grant, Shelter grant, SPF SIF grant, Drug Court Expansion grant, OK Adult State Wide Category grant, and Youth Suicide Prevention grant will be reduced and/or eliminated to absorb reduced funding. These losses would be in addition to the resulting negative consequences (e.g., reduced services, loss of provider revenue, including federal matching funds) that would result if the \$21.5 M budget hole is not corrected for the current fiscal year.

**5.) Has the agency requested any additional federal earmarks or increases?**

ODMHSAS applies for new categorical grants each year.

## Division and Program Descriptions

### Central Administration

The Central Administration program provides administration, direction, planning and technical assistance to facilities operated by the Department as well as to contract providers. It sets standards, policies and goals for programs and monitors programs to ensure required criteria are met. Additionally, Central Administration performs evaluations and data analysis and maintains an automated information system of clients receiving services.

### Inpatient Hospitals

These hospitals (one for adults and one for youth) provide acute inpatient psychiatric care for individuals residing in community mental health center service areas who do not have psychiatric inpatient care available or longer term care for individuals who are a danger to themselves or others and are unable to temporarily function in a community setting. The Oklahoma Forensic Center conducts forensic evaluations for the judicial system and provides inpatient care for persons found not guilty by reason of insanity.

### Community Based Treatment and Recovery Services

The department oversees a statewide program to administer both inpatient/residential and outpatient community-based mental health and substance abuse treatment services for qualifying Oklahomans. This is accomplished through utilization of a statewide public/private provider network. The majority of services are delivered through locally contracted provider organizations.

Mental Health Programs – This includes the delivery of mental health services across all age spectrums and severity of illness including community-based outpatient services, crisis intervention and inpatient services. Included in this are initiatives to serve higher risk populations (PACT, Mental Health Court, Systems of Care etc.) The department follows a tiered delivery of services designed to serve the most severely ill first. This approach is based on key principles that stress the following:

- Crisis intervention will be available to all in need. Longer-term services will be targeted to those most in need.
- A thorough face-to-face evaluation of the need for mental health services will be conducted for anyone meeting financial need criteria.
- Persons meeting defined diagnostic criteria will receive services on a timely basis, within uniformly defined time frames.
- Continuity of care between inpatient and outpatient providers will be emphasized.
- Needs are prioritized and resources carefully directed to ensure a standard of excellence for services that are delivered

Substance Abuse Programs- This includes the delivery of residential and outpatient substance abuse services such as medically supervised detoxification, non-medical detoxification, residential treatment, day treatment, sober living, DUI school, Drug Court and other outpatient services. More than one hundred private non-profit contractors and state operated facilities provide substance abuse programs. The intent is to provide a continuum of services to individuals with substance abuse disorders so they may return as sober and productive members of society.

### Community Mental Health Centers

ODMHSAS is responsible for a statewide network of community mental health centers (CMHC) which provide a wide variety of services including case management for adults and children, crisis intervention, psychiatric rehabilitation, medication services, and other outpatient mental health services. Additionally, community based programs include assistance with such services as housing, employment, peer advocacy and drop in centers.

### Prevention Services

Prevention services include oversight and delivery of initiatives targeting communities throughout the state. The department oversees a network of contracted Regional Prevention Coordinators to conduct localized prevention efforts, as well as overseeing the delivery of targeted statewide initiatives such as TakeasPrescribed and the campaign to reduce prescription drug abuse, suicide prevention, 2M2L underage drinking initiative, SYNAR compliance enforcement and reporting, PACT360, SBIRT, Mental Health First Aid and a variety of other noteworthy efforts. Additionally, the department operates a publicly accessible statewide prevention clearinghouse to provide support information and materials to Oklahomans.

| FY'18 Budgeted FTE     |             |            |              |              |                 |                 |
|------------------------|-------------|------------|--------------|--------------|-----------------|-----------------|
|                        | Supervisors | Classified | Unclassified | \$0 - \$35 K | \$35 K - \$70 K | \$70 K - \$\$\$ |
| Central Administration | 32          | 0          | 95           | 25           | 55              | 15              |
| Inpatient Hospitals    | 63          | 409        | 376          | 573          | 189             | 23              |
| Community Based Svcs   | 29          | 1          | 125          | 27           | 91              | 8               |
| CMHCs                  | 93          | 206        | 476          | 420          | 210             | 52              |
| Prevention Services    | 12          | 0          | 27           | 2            | 24              | 1               |
| Information Services   | 1           | 0          | 6            | 1            | 4               | 1               |
| <b>Total</b>           | <b>230</b>  | <b>616</b> | <b>1105</b>  | <b>1048</b>  | <b>573</b>      | <b>100</b>      |

| FTE History            |               |             |             |             |
|------------------------|---------------|-------------|-------------|-------------|
|                        | 2018 Budgeted | 2014        | 2011        | 2007        |
| Central Administration | 95            | 110         | 116         | 106         |
| Inpatient Hospitals    | 785           | 843         | 925         | 1034        |
| Community Based Svcs   | 125           | 195         | 287         | 129         |
| CMHCs                  | 682           | 547         | 623         | 713         |
| Prevention Services    | 27            | 21          | 20          | 22          |
| Residential Care Svcs  | 1             | 0           | 0           | 0           |
| Information Services   | 6             | 7           | 44          | 37          |
| <b>Total</b>           | <b>1721</b>   | <b>1721</b> | <b>2015</b> | <b>2041</b> |

| Performance Measure Review  |        |        |        |        |        |
|---|--------|--------|--------|--------|--------|
|   | FY'17  | FY'16  | FY'15  | FY'14  | FY'13  |
| <b>Measure I</b>  | 3      | 3      | 3      | 3      | 3      |
| Maintain the wait time between first contact and face-to-face visit for behavioral health treatment to less than 3 days every year through 2018.          |        |        |        |        |        |
| <b>Measure II</b>   | 21.85% | 19.67% | 20.51% | 20.86% | 21.75% |
| Maintain the percentage of individuals receiving inpatient or crisis unit care who return within 180 days at 20% or below every year through 2018.        |        |        |        |        |        |
| <b>Measure III</b>  | 22.00% | 22.30% | 23.50% | 24.10% | 24.20% |
| Maintain the percentage of participants in mental health reentry programs returning to prison within 36 months at 24.2% or below every year through 2017. |        |        |        |        |        |

| Revolving Funds (200 Series Funds)  |                        |                            |                   |
|---|------------------------|----------------------------|-------------------|
|   | FY'15-17 Avg. Revenues | FY'15-17 Avg. Expenditures | June '17 Balance* |
| <b>Department of Mental Health Revolving Fund</b><br>This fund receives multiple revenues including, Medicaid Reimbursement, Interagency Reimbursements, Tobacco Tax, Unclaimed Lottery winnings and various others fees. | \$66,576,631           | \$65,213,154               | \$9,726,906       |
| <b>Drug Abuse Education and Treatment Fund</b><br>This funds receives court fines from various counties in Oklahoma that administer drug court programs.  | \$576,718              | \$624,244                  | \$102,501         |
| <b>Capital Outlay Fund</b><br>This fund is used for capital expenditures.   | \$13,975               | \$48,200                   | \$23,187          |
| <b>Group Housing Loan Revolving Fund</b><br>This fund receives interest on a corpus that is held by a third party to provide Housing Loans.   | \$3,182                | \$3,050                    | \$2,117           |
| <b>Community-Based Substance Abuse Rev Fund</b><br>This fund receives revenue from Beverage Licenses sales, DUI trainings and ADSAC assessments fees.   | \$824,018              | \$945,377                  | \$461,617         |
| <b>Prevention of Youth Access to Alcohol Fund</b><br>This fund receives revenue from juvenile court fines   | \$18,014               | \$641                      | \$125,505         |
| <b>Medicaid Disallowance Fund</b><br>This fund holds funds for disallowances related to ODMHSAS Title XIX program.  | \$283,082              | \$0                        | \$938,618         |

\*This balance represents a snapshot in time and due to the pass through nature of ODMHSAS revenue, which includes the ongoing billing of medical treatment services, if the balances were pulled on another day, they may be significantly different. For example on September 26th, 2017, the balance in the ODMHSAS Revolving fund was \$7,339,227. It is important to note that these funds are already obligated/encumbered for payments for specific purposes (e.g., treatment services rendered and medicaid disallowances) and/or permitted by statute to be expended for very specific purposes (e.g., Prevention of Youth Access to Tobacco, 37 O.S. 608, treatment in accordance with the Oklahoma Drug Court Act, 63 O.S. 2-503.2).