



BEHAVIORAL HEALTH SYSTEM FOR FUTURE GENERATIONS RECOMMENDATION #8: IMPLEMENT A CARE TRANSITIONS PROGRAM

	FY 2026 Difference	FY 2027 Difference	FY 2028 Difference	FY 2029 Difference	FY 2030 Difference	FY 2031 Difference
Expenditures:						
General Fund						
State Special Revenue		\$1,239,576	\$991,661	\$277,665	\$281,830	\$286,058
Federal Special Revenue				\$713,996	\$724,706	\$735,577
Other						
Revenue:						
General Fund						
State Special Revenue						
Federal Special Revenue		\$0	\$0	\$713,996	\$724,706	\$735,577
Other						
Net Impact - General Fund Balance:	\$0	\$0	\$0	\$0	\$0	\$0

Description of fiscal impact: (In a few short sentences, describe.)

This recommendation will implement a new tailored care transition support program, such as Critical Time Intervention (CTI), to provide to people discharged from institutional settings. There will be costs associated with one-time start-up program costs, the first two years of operating expenses, and an increase in Medicaid costs upon CMS approval of the new program.

FISCAL ANALYSIS

Assumptions:

1. The department will contract with providers to fund start-up costs for one year. The department estimates \$247,915 in ramp-up costs for the first three months, to be spent in FY 2027 from state funds.
2. The department projects annual operating expenditures for providers of \$991,661 recurring in FY 2027 and FY 2028. The total costs assumed for each TCM team are approximately \$330,554 annually including: \$241,660 for staff and administrative expenses are approximately \$90,953. This projection is based on the program costs for three CTI teams (3*\$330,554=\$991,661), each staffed with a .50 FTE supervisor (\$24,861), 2 FTE coaches (\$107,370*2), and associated administrative expenses



(estimated to be approximately 28% of the total costs based on standard practice to support this program). The three teams will serve an estimated 120 clients annually.

3. The department expects Medicaid approval by CMS of the new program and reimbursement model in FY 2029. This will allow the department to draw down federal funds on the annual expenditures of \$991,661. The increase in benefit expenditures will come from both Traditional Medicaid and Medicaid Expansion populations. The Traditional Medicaid Federal Medical Assistance Percentage (FMAP) is 61.47% federal funds and 38.53% state funds. The Medicaid Expansion FMAP is 90% federal funds and 10% state funds. The state share for increased benefits is estimated at a blend of these FMAPs of 28%, resulting in a state share of \$277,665 ($\$991,661 \times .28$) and a federal share of \$713,916 ($\$991,661 \times .72$).

Technical Notes:

1. The department assumes that all state funds required for implementation and recurring costs will be allocated from the BHSFG state special revenue fund.
2. Any delay in procurement for contractors may push projected costs into future fiscal years.
3. Any delay in CMS approval of the new payment methodology may delay increase in benefit expenditures.
4. Projected expenditures for FY 2030 and FY 2031 assume a 1.5% inflationary factor for state and federal funds.