



ASSOCIATION
FOR BEHAVIORAL
HEALTHCARE

ABH Preliminary Analysis of the FY18 Budget Governor's Vetoes July 18, 2017

To: ABH Members
From: Vic DiGravio, President/CEO
Mandy Gilman, Senior Director of Public Policy & Research
Re: **Analysis of the FY 18 Budget with the Governor's Vetoes**

Governor Baker signed the FY18 Conference Committee Budget into law yesterday, while vetoing \$320 million in spending. He also sent back for amendment as part of a larger package of MassHealth changes, the sections of the budget that would have allowed the Commonwealth to levy new fees and fines on employers to help pay for increased MassHealth costs.

Governor Baker noted the employer tax should only be implemented if the MassHealth reforms he proposed in late June were included as part of the package. The Governor called on the Legislature to hold full hearings on the MassHealth proposals and act within 60 days. It is unclear at this point whether the Legislature plans to act.

Governor Baker vetoed \$4 million in spending from the Chapter 257 rate reserve line item. The administration noted this funding was included in a supplemental budget that passed earlier this year and is no longer needed in FY18. The administration has assured the provider community that if additional funding is needed in FY18 the administration will pursue this funding through the supplemental budget process.

*Items that were vetoed by the Governor are indicated by a ~~strikethrough~~. The new funding amount is in **red** font. Language that was stricken by the Governor is indicated by a ~~strikethrough~~.*

*** Note: Line item figures categorized as GAA on the following pages come from the General Appropriations Act (GAA). The **GAA** is the annual budget act, effective each July 1st. Line items labeled **Spending** include any supplemental funding and trust fund transfers throughout the fiscal year.



ASSOCIATION
FOR BEHAVIORAL
HEALTHCARE

ABH Preliminary Analysis of the FY18 Budget Governor's Vetoes July 18, 2017

Department of Mental Health (DMH)

| Line item/program | FY'15 Spending | FY'16 Spending | FY'17 GAA | FY'17 Spending | FY'18 Governor | FY'18 House Final | FY'18 Senate Final | FY'18 Conference Committee |
|-----------------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|---------------------------------------|
| 5011-0100 Operations | \$28,048,283 | \$26,682,875 | \$27,408,942 | \$27,691,510 | \$27,527,407 | \$27,527,468 | \$27,527,407 | \$27,408,942 |
| 5042-5000 Child/Adolescent Services | \$80,420,672 | \$87,795,268 | \$88,650,618 | \$89,277,600 | \$88,906,785 | \$89,206,786 | \$91,521,786 | \$88,938,321 \$91,738,321 |
| 5046-0000 Adult Community Services | \$352,977,208 | \$376,404,699 | \$379,754,252 | \$381,023,039 | \$387,630,579 | \$388,380,579 | \$388,380,580 | \$386,230,579 \$387,080,579 |
| 5046-0005 Comm Placements | \$10,000,000 | \$4,000,000 | \$4,000,000 | \$4,000,000 | \$4,000,000 | \$4,000,000 | \$4,000,000 | \$4,000,000 |
| 5046-2000 Homeless Initiative | \$20,134,629 | \$21,538,690 | \$22,038,690 | \$22,038,690 | \$22,942,690 | \$22,942,690 | \$22,942,689 | \$22,727,689 |
| 5047-0001 Emergency/Acute Inpatient | \$31,402,706 | \$24,234,504 | \$24,101,834 | \$24,924,320 | \$24,145,684 | \$24,145,685 | \$24,145,685 | \$24,101,834 |
| 5055-0000 Forensic services | \$8,878,876 | \$9,042,404 | \$9,147,474 | \$9,147,474 | \$9,232,520 | \$9,232,520 | \$10,732,520 | \$9,232,517 |
| 5095-0015 State psych hosp | \$182,773,537 | \$193,027,776 | \$205,398,658 | \$209,041,405 | \$208,188,392 | \$208,188,392 | \$207,188,392 | \$205,623,406 |
| 5095-1016 Occupancy Fees | N/A | \$500,000 | \$500,000 | \$500,000 | \$500,000 | \$500,000 | \$500,000 | \$500,000 |
| TOTAL | \$714,760,911 | \$743,351,216 | \$761,000,468 | \$767,644,008 | \$773,074,057 | \$773,574,120 | \$776,939,059 | \$768,763,288 |



ASSOCIATION
FOR BEHAVIORAL
HEALTHCARE

ABH Preliminary Analysis of the FY18 Budget Governor's Vetoes July 18, 2017

The budget approved by the Governor funds the Department of Mental Health at approximately \$772.4 million. This is a \$4.7 million increase over the projected final FY17 spending and approximately \$660,000 less than the Governor's budget request.

5011-0100 Operations. The budget funds the DMH operations line item at approximately \$27.4 million. This is \$282,568 below projected FY17 spending.

5042-5000 Child/Adolescent Mental Health Services. ~~The Conference Committee includes \$91.7 million for this line item; \$2.5 million above projected FY17 spending.~~ There is language allowing DMH to "allocate funds from the amount appropriated in this line item to other departments within the executive office of health and human services" for funding services to discharge-ready children inappropriately remaining in acute settings due to lack of more appropriate placement. **Governor Baker vetoed \$2.8 million in funding in this line item, noting he reduced it to the funding amount projected to be necessary, leaving total funding for this line item at \$88,939,321. \$800,000 of this reduction included the earmarks indicated with a strikethrough below.**

The final budget includes the following programmatic and individual earmarks:

1. \$3.7 million to fund the Massachusetts Child Psychiatry Access Project (MCPAP), including \$500,000 for the MCPAP for Mom's Program and a new \$100,000 to increase capacity for telephonic, face-to-face psychiatric or behavioral health consultations for patients;
2. Requires DMH to file a report with House and Senate Ways and Means on
 - a. MCPAP care coordination efforts;
 - b. The number of psychiatric consultations, face-to-face consultations and referrals made to specialists on behalf of children with behavioral health needs in fiscal year 2017 and fiscal year 2018
 - c. recommendations to: (a) increase the number of specialists receiving referrals through MCPAP; and (b) improve care coordination efforts to identify specialists available and accepting new child and adolescent patients, with priority to those who exhibit complex conditions and experience long wait lists for specialty psychiatry
3. Included language allowing the commissioner of DMH to charge commercial insurers for their members served by MCPAP.
4. ~~\$300,000 to fund a loan forgiveness program to increase the number and distribution of mental health professionals treating children and adolescents in underserved areas of Massachusetts. DMH would administer the program and participants would be required to work within a geographically underserved area for a minimum of 5 years and accept MassHealth members.~~
5. ~~\$50,000 for a partnership with the Department of Early Education & Care to expand access to early childhood mental health;~~
6. \$1,950,000 to "increase case management services for children and adolescents, enhancing services for persons ages 16 to 24 and maximizing resources for consultation and training for child and family mental health through collaboration with day care centers, schools and community agencies," and requires DMH to report on the implementation of this program;
7. ~~\$75,000 for YouthConnect in East Boston;~~
8. ~~\$50,000 for the Children's Room in Arlington;~~
9. ~~\$100,000 for the Alliance for Inclusion and Prevention;~~
10. ~~\$150,000 for the Arlington Youth Counseling Center; and~~



ASSOCIATION
FOR BEHAVIORAL
HEALTHCARE

ABH Preliminary Analysis of the FY18 Budget Governor's Vetoes July 18, 2017

~~11. \$75,000 for the Northwestern Juvenile Fire Intervention response and Safety Partnership.~~

5046-0000 Adult Mental Health Community Services. This account is funded at approximately \$388.7 million. This is \$6 million above projected FY17 spending and \$550,000 less than the Governor's recommendation. DMH has indicated this item is funded approximately \$770,000 below maintenance levels due to unfunded earmarks.. **Governor Baker vetoed \$850,000 from this line item, leaving total spending at \$386,230,579. The \$800,000 is accounted for in specific line item vetoes noted below.**

The Conference Committee included the following directives to DMH:

1. allows DMH to transfer up to \$5 million from this line item to the inpatient line item to serve individuals in the community that were formerly receiving care at a DMH inpatient unit (this language is repeated in the inpatient line item to allow maximum flexibility with funding for this population);
2. must report to HWM and SWM on the distribution of funds per adult and child planning population and types of services received in each region for fiscal year 2018, no later than February 1, 2018;
3. shall maintain the same amount of community-based placements in FY 2018 as they have maintained in the previous 3 years;
4. shall expend not less than the amount spent in 2017 on clubhouses in 2018;
5. shall spend the same level on municipal jail diversion programs as the prior fiscal year;
6. includes \$2 million to expand the jail diversion program to include a crisis intervention team, this funding is projected to double the number of training sessions from 150 to 300 per year; to cover an additional 75 officers; to increase the number of communities impacted that will result in improved response time by police and individuals in behavioral health crises;
7. requires DMH to report to House and Senate Ways and Means by December 29, 2017 details of the crisis intervention team and jail diversion efforts;
- ~~8. \$500,000 to offer services for adult home and community behavioral health services for adults over the age of 60 through an interagency service agreement between DMH and the Executive Office of Elder Affairs;~~
9. an earmark of \$250,000 for the assisted outpatient treatment program at Eliot Community Human Services to "treat residents who suffer from serious and persistent mental illness and experience repeated interaction with law enforcement or have a high rate of recurring hospitalization...either through a voluntary agreement... or by court order.";
10. requires DMH and Eliot to report on the program including baseline and current metrics and factors that proved successful in treatment pilot precipitants;
- ~~11. \$100,00 for the interface referral services of William James College; and~~
- ~~12. \$250,000 for the International Institute of New England for culturally and linguistically appropriate mental health services for immigrants and refugees who have experienced torture and trauma.~~

5046-0005 Community Placements. This line item has \$4 million in funding; which is equal to projected FY17 spending. The funds are to be used to expand community-based placements for discharge ready individuals.



ASSOCIATION
FOR BEHAVIORAL
HEALTHCARE

ABH Preliminary Analysis of the FY18 Budget Governor's Vetoes July 18, 2017

5046-2000 Homelessness Services. This account is funded at \$22.7 million, approximately \$820,000 above FY17 spending. DMH has indicated they anticipate an impact to homeless services.

5047-0001 Emergency Services/Acute Inpatient. This item is funded at \$24,101,834 for emergency services, an \$822,396 decrease from projected FY17 spending.

5055-0000 Forensic Services. This account is funded at \$9,232,517 an increase of \$85,000 over FY17 spending. Funding from this line item may be expended for juvenile court clinics.

5095-0015 State Psychiatric Hospitals. This line item includes a decrease of approximately \$3.4 million from projected FY17 spending.

The budget includes the following directives to DMH:

1. Allows DMH to transfer up to \$5 million from this line item to the community placement line item to serve individuals in the community that were formerly receiving care at a DMH inpatient unit;
2. DMH shall maintain no fewer than 671 inpatient beds in fiscal year 2018;
3. Of these 671 beds, 45 should remain on the campus of Taunton State Hospital;
4. Within the existing appropriation DMH may operate more inpatient beds on the campus of Taunton State Hospital;
5. No fewer than 260 of these beds shall operate at the Worcester Recovery Center and Hospital;
6. DMH may not take any action in FY 2018 to reduce the number of state operated continuing care inpatient beds or other state-operated programs at the Taunton state hospital campus or relocate administrative hospital services;
7. DMH shall not enter into new vendor-operated lease agreements for expansion of existing vendor-operated programs; and
8. DMH shall not enter into any new interagency agreements or expand existing agreements until they develop a comprehensive long-term use plan for the campus.

5095-1016 Occupancy Fees Retained Revenue. This line item, added in FY16, allows DMH to retain \$500,000 in revenue collected from occupancy fees charged to the tenants of the state hospitals.



ASSOCIATION
FOR BEHAVIORAL
HEALTHCARE

ABH Preliminary Analysis of the FY18 Budget Governor's Vetoes July 18, 2017

Department of Public Health/Bureau of Substance Addiction Services (BSAS)

| Line item/program | FY'15 Spending | FY'16 Spending | FY'17 GAA | FY'17 Spending | FY'18 Governor | FY'18 House | FY'18 Senate Final | FY'18 Conference Committee |
|--------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------------------------------|
| 4512-0200 BSAS Program & Operations | \$92,221,778 | \$113,773,064 | \$125,692,987 | \$123,962,540 | \$127,675,888 | \$133,750,888 | \$129,875,888 | \$132,575,888 |
| 4512-0201 Step-Down Services | \$4,800,000 | \$4,854,090 | \$4,908,180 | \$4,469,905 | \$4,908,180 | \$4,908,180 | \$4,908,180 | \$4,908,180 |
| 4512-0202 Jail Diversion | \$2,000,000 | \$2,000,000 | \$2,000,000 | \$1,980,000 | \$2,000,000 | \$2,000,000 | \$2,000,000 | \$1,940,000 |
| 4512-0203 Young Adult Treatment Program | \$1,500,000 | \$1,500,000 | \$1,500,000 | \$1,485,000 | \$1,485,000 | \$1,485,000 | \$1,500,000 | \$1,440,450 |
| 4512-0204 Naloxone for First Responders | \$1,000,000 | \$1,000,000 | \$1,000,000 | \$996,008 | \$1,000,000 | \$1,000,000 | \$1,000,000 | \$970,000 |
| 4512-0205 Grants & Contracts for SA programs | - | - | - | - | - | - | \$1,255,000 | \$980,000 |
| 4512-0210 New Addiction Treatment Programs | \$10,000,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 4512-0211 Recovery High | - | - | \$3,100,000 | \$2,469,000 | \$3,100,000 | \$3,100,000 | \$3,600,000 | \$2,500,000 \$3,600,000 |
| SUBTOTAL | \$111,521,778 | \$123,127,154 | \$138,201,167 | \$135,362,453 | \$140,169,068 | \$146,244,068 | \$144,139,068 | \$145,314,518 |
| 1595-4510 Substance Abuse Services Fund | - | \$5,000,000** | \$1,000,000 | \$5,000,000 | \$0 | \$0 | \$0 | \$0 |
| TOTAL | \$111,521,778 | \$128,127,154 | \$139,201,167 | \$140,362,453 | \$140,169,068 | \$146,244,068 | \$144,139,068 | \$145,314,518 |

*This is carryover trust fund money from the FY12 allocation of \$10m.

**This fund is housed within the Executive Office of Health and Human Services for expansion of BSAS-funded services.



ASSOCIATION
FOR BEHAVIORAL
HEALTHCARE

ABH Preliminary Analysis of the FY18 Budget Governor's Vetoes July 18, 2017

The budget funds the Bureau of Substance Addiction Services at \$146,414,518. Proposed funding for BSAS is approximately \$6 million over FY17 spending.

4512-0200 BSAS Programming and Operations. This account is funded at \$132,575,888, roughly \$8.6 million above FY17 spending. The budget eliminates the Substance Abuse Services fund housed at EOHHS (1595-4510) and rolls the \$5 million in spending from that line item into the 4512-0200.

The Conference Report includes the following directives (including approximately \$2 million in direct earmarks):

1. \$500,000 for a voluntary training and accreditation program for owners and operators of Sober Homes;
2. \$1,180,000 million for the Vivitrol pilot program;
3. Ensure that vendors providing methadone treatment seek third-party reimbursement;
4. \$100,000 for a statewide program to improve the care of newborns with neonatal abstinence;
5. Programs in substantial regulatory and contractual compliance shall receive not less than the same level of funding in fiscal year 2018 as received in fiscal year 2017;
6. \$1,000,000 for supportive case management services;
7. \$1,000,000 to increase the number of residential rehabilitation services with priority given to families, youth, transitional age youth and young adults;
8. \$200,000 to support school districts that are not currently funded by the department of public health;
9. \$250,000 to expand and support municipalities utilizing grant funds from the Massachusetts Opioid Abuse Prevention Collaborative (MOAPC) grant program;
10. \$250,000 to preserve and expand the programs currently funded by the Massachusetts Access to Recovery (MA-ATR) program;
11. \$250,000 to purchase Naloxone (Narcan) for distribution to addiction treatment provider programs funded through this line item;
12. \$250,000 for substance abuse programming for recovery centers;
13. \$250,000 for a pilot program for young adults 17 to 25 years of age to address substance abuse issues for this age group;
14. \$50,000 for a public safety opioid overdose follow-up program in the city of Fall River;
15. \$20,000 to The Psychological Center in Lawrence toward the Daybreak Shelter;
16. \$50,000 for the substance abuse coalition in Town of Franklin;
17. \$50,000 for the Methuen Police Department Community Addiction Resource Engagement Services (C.A.R.E.S) Initiative;
18. \$150,000 for the town of Braintree for Braintree's Community Partnership on Substance Abuse;
19. \$10,000 for Haven of Hope for community outreach and services in Methuen and Lawrence;
20. \$20,000 for the Merrimack Valley Prevention and Substance Abuse Project toward resources, community outreach and programs in Methuen, Lawrence, Haverhill and North Andover;
21. \$50,000 for the purchasing of Narcan and public safety equipment upgrades for the police and fire personnel in Wakefield;
22. \$50,000 for The Psychological Center Pegasus House residential treatment facility;
23. \$50,000 for the New Beginnings program that targets youth at risk and in recovery in collaboration with school districts;



ASSOCIATION
FOR BEHAVIORAL
HEALTHCARE

ABH Preliminary Analysis of the FY18 Budget Governor's Vetoes July 18, 2017

24. \$150,000 for Self Esteem Boston's direct service and provider training programs;
25. \$25,000 to fund substance misuse and mental health treatment on Nantucket administered by the town of Nantucket;
26. \$150,000 to Harbor Health Services for a grant program to prevent and treat addiction to opioid and related substances;
27. \$200,000 to Project RIGHT's substance abuse/trauma prevention initiative in the Grove Hall area of Boston;
28. \$150,000 shall be expended for the operation of the Behavioral Health and Outpatient Substance Abuse Services at the Dimock Community Center;
29. \$100,000 for the purchase and renovation of an opiate recovery treatment facility of Into Action Recovery, Inc;
30. \$25,000 for the Merrimack Valley Safety Youth Center in the City of Lawrence;
31. \$200,000 for the Berkshire County Youth Development Project for youth intervention services;
32. \$50,000 for The Boston Ten Point Coalition substance abuse and trauma prevention initiative in the Roxbury area of Boston;
33. \$250,000 for a federally-qualified community health center with a 24-hours-a-day, 7-days-a-week emergency department licensed as a satellite unit under 105 CMR 130;
34. \$100,000 for the Charlestown Substance Abuse Coalition;
35. \$50,000 for the Substance Use Disorder Initiatives office in the city of Revere;
36. \$50,000 for the town of Milford police department and the Juvenile Advocacy Group to maintain a regional substance abuse outreach and intervention program in the greater Milford area; and
37. funds shall be expended to maintain programming, including but not limited to, the following: (i) centralized intake capacity service, under pursuant to section 18 of said chapter 17; (ii) the number and type of facilities that provide treatment; and (iii) detoxification and clinical stabilization service beds in the public system.

4512-0201 Step-Down Services. This account for step-down recovery services "and other critical recovery services with severely reduced capacity" is funded at approximately \$4.9 million.

4512-0202 Pilot Jail Diversion Program. This account is funded at \$1.94 million. This is a reduction of \$60,000 from projected FY17 spending. The account appropriates funding for jail diversion programs primarily for nonviolent offenders with OxyContin or heroin addiction. The line item retains language mandating that each program provide clinical assessment services to the courts, inpatient treatment for up to 90 days, and ongoing case management for up to one year. It has identical individual eligibility criteria as in the past, i.e., OxyContin, heroin or another substance use disorder and diversion is appropriate both in accordance with clinical and public safety criteria. Programs are to be in separate counties. \$500,000 is dedicated to "support the ongoing treatment needs of clients after 90 days for which there is no other payer."

4512-0203 Family Intervention, Care Management, and Young Adult Treatment Program. This account is funded at slightly below \$1.5 million, a decrease of \$44,550 from projected FY17 spending. The language states that this appropriation is "for family intervention and care management services programs, a young adult treatment program, and early intervention services for individuals who are dependent on or addicted to alcohol or controlled substances or both alcohol and controlled substances."



ASSOCIATION
FOR BEHAVIORAL
HEALTHCARE

ABH Preliminary Analysis of the FY18 Budget Governor's Vetoes July 18, 2017

4512-0204 Naloxone Distribution Programs for First Responders. The budget includes \$970,000 in this line item, a reduction of \$30,000 from projected FY17 spending, which funds the purchase, administration, and training of first-responders and bystander naloxone distribution programs. Funds shall be expended to maintain funding in communities with high incidences of overdoses. There is funds transfer authority between this account and the main BSAS line item, provided that DPH file an allocation plan with Legislature 30 days before any transfer. DPH is required to report to the Committees on Ways & Means on (i) the communities receiving grants; (ii) the number of participants for each community; and (iii) the amount of naloxone purchased and distributed, delineated by community by October 2, 2017.

4512-0205 Grants and Contracts for Substance Abuse Programs. The budget includes a new line item that originated in the Senate (funded at \$980,000) to fund earmarks that have traditionally been included in the main line item (4512-0200). Additional earmarks are detailed above that were included in 4512-0200.

Earmarks included:

1. \$75,000 for Decisions at Every Turn Coalition;
2. \$50,000 for the Holliston Drug and Alcohol Awareness Coalition;
3. \$50,000 for the Holliston School Substance Abuse Prevention Program;
4. \$100,000 for the Hopkinton Organization for Prevention Program;
5. \$50,000 for the T.H.R.I.V.E. Substance Abuse Prevention Program,
6. \$50,000 for Serenity House;
7. \$75,000 for Cambridge Health Alliance for their office-based opioid treatment services;
8. \$75,000 for the Gloucester high-risk task force;
9. \$225,000 for the substance abuse coalitions and community partnerships in Avon, Braintree, Canton, East Bridgewater, Easton, Milton, Randolph, Sharon and Stoughton;
10. \$10,000 for the Saugus United Against Substance Abuse Coalition;
11. \$25,000 for the Community Against Substance Abuse, Inc. program in Winthrop;
12. \$50,000 for Drug Story Theater, Inc.; and
13. \$50,000 for Veterans Inc.; and
14. \$95,000 for the Eastern Mass Goal Setting and Relapse Prevention program.

4512-0211 Recovery High Schools. ~~Recovery High Schools are funded at \$3.6 million in their own line item. Prior to FY17, funding for Recovery High Schools was included in the main BSAS line item 4512-0200. This is an increase of \$500,000 over FY17 GAA. BSAS is required to spend \$500,000 to open no less than one new high school in an underserved region.~~ The Conference Committee also requires DPH to report on the number of youth served per high school, outcomes measures, and recommendations for new high schools in FY2017 and FY2020. **Governor Baker vetoed \$1.1 million in funding from this line item, including the \$500,000 earmark requiring BSAS to open one new high school in an underserved region.**



ASSOCIATION
FOR BEHAVIORAL
HEALTHCARE

ABH Preliminary Analysis of the FY18 Budget Governor's Vetoes July 18, 2017

Executive Office of Health & Human Services (EOHHS)/Office of MassHealth

| Line item/program | FY'15 Spending | FY'16 Spending | FY'17 GAA | FY'17 Spending | FY'18 Governor | FY'18 House | FY'18 Senate Final | FY'18 Conference Committee |
|----------------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|--------------------|------------------------------------------------------|
| 4000-0300 EOHHS Admin. | \$88,223,229 | \$85,974,577 | \$100,501,097 | \$99,496,881 | \$102,602,733 | \$103,777,734 | \$102,527,732 | \$102,682,373 \$102,257,373 |
| 4000-0328 State Plan Amend Plan | \$394,000 | \$0 | \$50,000 | \$50,000 | \$0 | \$0 | \$100,000 | \$50,000 |
| 4000-0500 MCOs | \$5,162,825,921 | \$5,347,416,595 | \$5,418,523,203 | \$5,319,986,767 | \$5,553,251,863 | \$5,553,251,863 | \$5,553,251,863 | \$5,553,251,863 |
| 4000-0700 Fee for Service Payments | \$2,558,152,397 | \$2,539,586,015 | \$2,377,838,433 | \$2,505,875,935 | \$2,751,697,224 | \$2,664,848,930 | \$2,639,047,224 | \$2,397,298,930 \$2,187,898,930 |
| 4000-0880 Family Assistance | \$187,702,000 | \$253,769,000 | \$333,308,169 | \$431,380,194 | \$526,812,502 | \$526,812,502 | \$526,812,502 | \$526,812,502 |
| 4000-0940 ACA Expansion | \$1,569,631,096 | \$1,957,441,133 | \$2,147,410,368 | \$2,095,563,761 | \$2,256,942,984 | \$2,239,691,278 | \$2,240,692,984 | \$2,238,691,278 |
| 4000-0950 CBHI | \$211,389,021 | \$221,682,738 | \$236,377,183 | \$235,786,661 | \$247,337,564 | \$247,337,564 | \$247,337,564 | \$247,337,564 |
| 4000-0990 CMSP | \$13,190,000 | \$13,006,000 | \$17,471,111 | \$17,471,111 | \$12,471,111 | \$12,471,111 | \$12,471,111 | \$12,096,978 |



ASSOCIATION
FOR BEHAVIORAL
HEALTHCARE

ABH Preliminary Analysis of the FY18 Budget Governor's Vetoes July 18, 2017

MassHealth Proposals

- The Conference Committee report increases CBHI spending by approximately \$11.5 million.
- The provider rate caps, moratoriums on mandated benefits, and the elimination of facility fees proposed by Governor Baker were not included in the Conference report.
- The Conference Committee requires MassHealth to report to the House and Senate Committees on Ways and Means by March 1, 2018, on: (1) outcomes achieved by ACOs and CPs including financial performance, patient satisfaction etc. (2) the results of benchmarks of ACOs and CPs progress toward an integrated delivery system, and (3) the projected and to date cost effectiveness of flexible spending.
- Requires MassHealth to maintain the same level of vision services for those in the MassHealth CarePlus program as were in effect in fiscal year 2017. MassHealth has indicated they intend to cut non-emergency transportation (except for addiction treatment services) for the same population. The Conference Committee report does not appear to protect these services from proposed cuts.
- The Conference Committee approves the \$5 million reduction to the CMSP proposed by the Governor. MassHealth has brought this program in house from the previous vendor, Unicare, and projects this reduction as savings due to this change
- The Conference Committee did not include any of the new reforms proposed by MassHealth at the end of June which would have required federal waiver changes, or other changes to eligibility and/or benefits.
- **Governor Baker vetoed the employer assessment included in the budget and sent back these changes for the Legislature's continued consideration. The administration has indicated MassHealth is currently underfunded because these changes were not adopted.**
- **Governor Baker vetoed \$425,000 from line item 4000-0300, which covered three earmarks included in the line item. He also vetoed language requiring supplemental payments to acute pediatric hospitals and pediatric specialty units.**
- **Governor Baker reduced the MassHealth fee for service line item (4000-0700) by \$209.4 million. This reduction included \$2 million in earmarks that would have established a one-year pilot program to increase efficiencies in the Western Massachusetts regional hospital system, and \$1 million included as a one-time payment to a Western Mass regional academic health system to address regional physician shortages.**



ASSOCIATION
FOR BEHAVIORAL
HEALTHCARE

ABH Preliminary Analysis of the FY18 Budget Governor's Vetoes July 18, 2017

Department of Children and Families (DCF)

| Line item/program | FY'15 Spending | FY'16 Spending | FY'17 GAA | FY'17 Spending | FY'18 Governor | FY'18 House | FY'18 Senate Final | FY'18 Conference Committee |
|---------------------------------------------|----------------|----------------|---------------|----------------|----------------|---------------|--------------------|--------------------------------------------------|
| 4800-0015 Operations | \$76,244,337 | \$80,863,547 | \$95,614,734 | \$96,184,242 | \$100,134,611 | \$100,134,611 | \$100,134,611 | \$98,384,611 |
| 4800-0025 Foster care review | \$3,125,044 | \$3,033,562 | \$4,089,044 | \$2,000,000 | \$2,000,000 | \$4,142,546 | \$4,152,546 | \$4,142,546 |
| 4800-0030 Lead Agencies | \$6,000,000 | \$6,000,000 | \$6,000,000 | \$6,000,000 | \$9,000,000 | \$0 | \$6,000,000 | \$5,350,000 |
| 4800-0036 Sexual abuse | \$698,740 | \$698,739 | \$698,739 | \$698,739 | \$699,547 | \$699,547 | \$699,547 | \$699,547 |
| 4800-0038 Child & Families | \$270,288,680 | \$283,620,923 | \$283,687,851 | \$287,975,963 | \$292,138,783 | \$292,423,782 | \$292,531,283 | \$289,561,283 \$289,964,283 |
| 4800-0040 Fam Supp Stab. | \$44,610,551 | \$46,276,753 | \$46,892,955 | \$46,892,955 | \$47,392,955 | \$47,392,955 | \$50,000,000 | \$47,692,955 |
| 4800-0041 Group care | \$243,802,414 | \$264,642,587 | \$265,126,535 | \$278,468,404 | \$279,454,551 | \$280,439,700 | \$280,464,507 | \$278,593,375 |
| 4800-0151 Overnight place | \$504,388 | \$504,388 | \$504,388 | \$510,457 | \$509,943 | \$509,943 | \$509,943 | \$509,943 |
| 4800-0200 Family Resource Centers | \$5,228,000 | \$7,398,054 | \$9,978,898 | \$9,553,671 | \$10,281,116 | \$7,781,116 | \$12,161,116 | \$9,681,116 \$9,731,116 |
| 4800-1100 Social worker case mgt. | \$192,916,020 | \$203,047,077 | \$223,462,675 | \$223,462,675 | \$236,811,034 | \$236,811,034 | \$236,811,034 | \$236,811,034 |



ASSOCIATION
FOR BEHAVIORAL
HEALTHCARE

ABH Preliminary Analysis of the FY18 Budget Governor's Vetoes July 18, 2017

4800-0015 Operations Account. This account is funded at \$98,384,611, which is an increase of approximately \$2.2 million over projected final FY17 spending but \$1.75 million below the Governor's recommendation. The Conference Report included the following directives:

- Prohibits DCF from accepting a child referred from DMH care until DMH forwards its assessment and recommendation as to whether the child or adolescent may be appropriately placed in foster care or if the child is more appropriate for congregate care placement, and in general, requires DCF to prioritize family circle/kinship placements;
- Prohibits DCF from reducing recoupment amounts recommended by the State Auditor;
- Requires DCF and DEEC to provide standards for early education and care placements made through the supportive childcare program;
- Requires that there shall not be a waiting list for services and that all children eligible for services under DEEC shall receive care;
- Requiring DCF and DEEC to maintain a centralized list of the number of children eligible for supportive childcare services, the number of supportive slots filled and the number of supportive slots available;
- Requires DCF to report to the House and the Senate Committees on Ways and Means on December 29, 2017 and March 31, 2018 on details of the fair hearing requests, matter of appeal, number of days between hearings and decisions etc.;
- Requires DCF to maintain and make available to the public a record of its fair hearings, including the date of the hearing, the decision and the final decision and redacted copies be made available within 30 days of a written request;
- Requires DCF to also report to the House and Senate Committees on Ways and Means on details by February 24, 2018 regarding the number of medical and psychiatric personal employed by or under contract with the department, and more staffing details;
- Requires DCF to report quarterly on their caseloads, including details on foster care placements, number of children hospitalized, number of children served by supervised visitors, and specific data broken down by area office;
- Requires DCF to report to House and Senate Committees on Ways and Means and the Joint Committee on Children's and Families by November 1, 2017 on any changes to rules, regulations or guidelines established by DCF to carry out their duties;
- Report on the number of children and families receiving services and other pertinent data that is requested by the office on a monthly basement; and on the number of children and families served by the family resource centers by area and evaluation of the services provided and their effectiveness monthly;
- Requires the department to maintain funding for the aging out population to the extent feasible within existing appropriations;
- Allows limited transferability between specific line items and notify the House and the Senate Committees on Ways and Means; and
- Earmarks \$250,000 for the runaway unit to help identify at-risk youth and provide preventative services and to implement a runaway recovery response policy.

4800-0030 Service Coordination/Administration. The Conference Report funds the lead agencies at \$5.35 million. This is a reduction of \$650,000 from projected FY17 spending.



ASSOCIATION
FOR BEHAVIORAL
HEALTHCARE

ABH Preliminary Analysis of the FY18 Budget Governor's Vetoes July 18, 2017

4800-0038 Services for Children and Families. This account is funded at approximately \$289.9 million, an increase of approximately \$2 million over projected FY17 spending but below the Governor's request. Funding is for "guardianship, foster care, adoption, family preservation and kinship services." This includes shelter services, substance abuse treatment, young parent programs, parent aides, education and counselling services, reimbursements protective services etc. **Governor Baker vetoed \$403,000 from this line item, including the earmarks indicated below. This account is now funded at \$289,561,283.**

The Conference Committee includes the following directives (including \$1.788 million in earmarks):

1. DCF shall fund the Children's Advocacy Centers the same as they were funded in FY13;
2. DCF may contract with provider agencies for the coordination and management of services, including flex services;
3. ~~Programs in regulatory and contractual compliance should receive the same amount of funding as they received in FY17;~~
4. ~~\$75,000 for the Weymouth Teen Center;~~
5. ~~\$50,000 for Rick's Place in Wilbraham;~~
6. ~~\$25,000 for the Methuen Athletic Improvement Committee's Methuen Youth Center Committee;~~
7. ~~\$25,000 for the North Andover Youth Center;~~
8. ~~\$3,000 for Groundwork Lawrence;~~
9. \$140,000 for Children's Cover: The Cape & Islands Child Advocacy Center;
10. \$80,000 for the Children's Advocacy Center of Worcester County;
11. ~~\$400,000~~ **\$300,000** for the Children's Advocacy Center of Bristol County;
12. \$75,000 for Julie's Family Learning Program Inc. in South Boston;
13. ~~\$25,000 for South Boston en Accion, Inc;~~
14. \$100,000 for the Plymouth County Children's Advocacy Center;
15. ~~\$100,000 for The Treehouse Foundation, Inc.~~
16. \$140,000 for the Children's Advocacy Center of Suffolk County;
17. \$150,000 for the Fragile Beginnings program;
18. \$100,000 for Project Newborns Exposed to Substances: Support and Therapy;
19. \$250,000 for the TEMPO program at Wayside Youth & Families; and
20. \$50,000 for the planned learning achievement for youth program in Amherst.

4800-0040 Family Support and Stabilization. This account, which funds "family prevention and unification services", is funded at approximately \$47.7 million. This is an increase of approximately \$800,000 over FY17 spending and \$300,000 above the Governor's recommendation.

4800-0041 Group Care. The Conference Committee funds this line item at \$278.6 million, a small increase over FY17, but \$861,000 below the Governor's request. The language in the account permits the use of funds "to provide community-based services, including in-home support and



ASSOCIATION
FOR BEHAVIORAL
HEALTHCARE

ABH Preliminary Analysis of the FY18 Budget Governor's Vetoes July 18, 2017

stabilization services, to children who would otherwise be placed in congregate settings.” The Conference Committee also requires DCF to oversee area review teams that will evaluate the feasibility of maintaining the child in the community whenever possible.

4800-0151 Placement for Juvenile Offenders. This account is funded at \$509,943. This account funds “alternative overnight non-secure placements for status offenders and nonviolent delinquent youths up to the age of 17 to prevent the inappropriate use of juvenile cells in police stations for such offenders.” Programs are required to collaborate with the sheriffs’ offices to refer the youth “to any programs within the sheriff’s office designed to positively influence youths or reduce juvenile crime.”

4800-0200 Family Resource Centers. The Conference Report funds this line item at \$9.7 million, a slight increase over FY17 spending. ~~The line item includes an earmark of \$50,000 for the Juvenile Court Mental Health Advocacy Project at Health Law Advocates.~~ **Governor Baker vetoed \$50,000 from this line item, which funded the earmark for Health Law Advocates.**

4800-1100 Social Worker Case Management. This account is funded at approximately \$236 million, which is an increase of \$13.3 million over the final FY17 appropriation.



ASSOCIATION
FOR BEHAVIORAL
HEALTHCARE

ABH Preliminary Analysis of the FY18 Budget Governor's Vetoes July 18, 2017

Substance Abuse Services Fund Transfer

| Line item/program | FY'15 Spending | FY'16 Spending | FY'17 GAA | FY'17 Spending | FY'18 Governor | FY'18 House | FY'18 Senate Final | FY'18 Conference Committee |
|-------------------------------------------|----------------|----------------|-------------|----------------|----------------|-------------|--------------------|----------------------------|
| Substance Abuse Services Fund (1595-4510) | - | \$5,000,000 | \$1,000,000 | \$5,000,000 | \$0 | \$0 | \$0 | \$0 |

1595-4510 Substance Abuse Services Fund. The Conference Committee proposes consolidating these costs into the main Bureau of Substance Abuse Services line item, 4512-0200.

Post-Natal Care for Substance-Exposed Infants

| Line item/program | FY'15 Spending | FY'16 Spending | FY'17 GAA | FY'17 Spending | FY'18 Governor | FY'18 House | FY'18 Senate Final | FY'18 Conference Committee |
|------------------------------------------------------------|----------------|----------------|-----------|----------------|----------------|-------------|--------------------|----------------------------|
| Post-natal care for substance-exposed newborns (1599-1450) | -- | \$600,000 | \$0 | \$600,000 | \$0 | \$0 | \$0 | \$0 |

1599-1450 Substance-Exposed Newborn Post-Natal Care. The Conference Committee did not fund this program.

Behavioral Health Triage Pilot - Quincy

| Line item/program | FY'15 Spending | FY'16 Spending | FY'17 GAA | FY'17 Spending | FY'18 Governor | FY'18 House | FY'18 Senate Final | FY'18 Conference Committee |
|--------------------------------------|----------------|----------------|-----------|----------------|----------------|-------------|--------------------|----------------------------|
| Behavioral Health Triage (1599-2004) | -- | \$500,000 | \$0 | \$250,450 | \$0 | \$0 | \$0 | \$0 |

1599-2004 Behavioral Health Triage Pilot in Quincy. The Conference Committee did not fund this program.



ASSOCIATION
FOR BEHAVIORAL
HEALTHCARE

ABH Preliminary Analysis of the FY18 Budget Governor's Vetoes July 18, 2017

Chapter 257 Rate Reserve

| Line item/program | FY'15 Spending | FY'16 Spending | FY'17 GAA | FY'17 Spending | FY'18 Governor | FY'18 House | FY'18 Senate Final | FY'18 Conference Committee |
|--------------------------------------|----------------|----------------|--------------|----------------|----------------|--------------|--------------------|-----------------------------------------|
| Chapter 257 Rate Reserve (1599-6903) | \$15,013,791 | \$21,058,061 | \$36,245,575 | \$14,692,481 | \$39,698,478 | \$39,698,478 | \$39,698,478 | \$35,698,478 \$39,698,478 |

1599-6903 Chapter 257 Rate Reserve. The line item funds the fiscal year 2018 costs of implementation of Chapter 257 as well as the annualization of the human services salary reserve. **Governor Baker vetoed \$4 million in funding from this line item. The administration has said they funded this \$4 million through a previous supplemental budget.**

The Conference Committee includes the following directives:

1. It may include costs associated with any court order or settlement related to the rate implementation process;
2. Home care workers, and workers from shelters and programs that serve homeless individuals previously contracted through DTA and DPH and direct care workers that serve homeless veterans are all eligible for the funding from this line item;
3. Individuals employed in special education programs, early education and care and federal grants are not eligible for this funding;
4. No funds should be allocated from this item for contracts funded exclusively by federal grants;
5. The Secretary of Administration and Finance (ANF) may
6. transfer the appropriate funds to other line items in amounts necessary to meet the costs of new rates;
7. ANF must report quarterly to HWM and SWM transfers made from this item by line item and service class;

EOHHS must report no later than January 15, 2018 to HWM, SWM and ANF on the implementation, including:

1. The state gross and net costs for rates not yet promulgated as of July 3, 2017, by department, line item, service class and start date of implementation;
2. State gross and net costs for rates promulgated not later than June 30, 2017 that have received a biennial rate review or have not received a biennial rate review by department, line item, service class and start date of implementation;
3. State gross and net costs for rates due to be reviewed on July 3, 2017 by department, line item, service class and start date of implementation;
4. State gross and net costs for rates to be reviewed between July 3, 2017 and June 20, 2018, inclusive by department, line item, service class and start date of implementation; and
5. Payroll spending in fiscal year 2011 and fiscal year 2017 aggregated by vendor and by service class.



ASSOCIATION
FOR BEHAVIORAL
HEALTHCARE

ABH Preliminary Analysis of the FY18 Budget Governor's Vetoes July 18, 2017

The contracts between providers and EOHHS and EOEA shall require providers to report on the impact of the rate implementations on employees salaries, employee-related costs and operations.

EOHHS must report by March 14, 2018 to HWM, SWM and ANF on a comparison of benchmark expenses used in rate model workbooks to actual expenses based on uniform financial reports for rates subject to rate reviews in fiscal year 2018.



ASSOCIATION
FOR BEHAVIORAL
HEALTHCARE

ABH Preliminary Analysis of the FY18 Budget Governor's Vetoes July 18, 2017

Other Line Items of Interest

| Line item/program | FY'15 Spending | FY'16 Spending | FY'17 GAA | FY'17 Spending | FY'18 Governor | FY'18 House | FY'18 Senate Final | FY'18 Conference Committee |
|---------------------------------------------------|----------------|----------------|--------------------------------|--------------------------------|--------------------------------|--------------|--------------------------|------------------------------------------------|
| 0330-0601 Specialty Courts | \$1,713,000 | \$3,229,651 | \$3,229,651 | \$3,229,651 | \$3,261,947 | \$3,261,947 | \$3,232,881 | \$3,232,881 |
| 0810-1205 AG Opioid Addiction | - | - | \$1,000,000 | \$1,000,000 | \$1,000,000 | \$1,500,000 | \$1,500,000 | \$1,250,000 |
| 1599-1500 CSG Implementation | - | - | - | - | - | \$3,500,000 | \$0 | \$0 |
| 3000-6075 Early Childhood Mental Health | \$750,000 | \$750,000 | Consolidated Into 3000-1020 | Consolidated Into 3000-1020 | Consolidated Into 3000-1020 | \$2,500,000 | Included in 3000-1020 | \$1,250,000 \$2,500,000 |
| 4512-0103 HIV/AIDS Program | \$32,229,848 | \$33,120,000 | \$33,134,598 | \$30,899,876 | \$28,334,416 | \$30,334,416 | \$31,270,279 | \$28,334,416 \$30,834,416 |
| 4512-0106 HIV/AIDS Drug Assist Prgm | \$7,500,000 | \$7,500,000 | \$7,500,000 | \$7,500,000 | \$7,500,000 | \$7,500,000 | \$7,500,000 | \$7,500,000 |
| 4512-0225 Compulsive Gamblers | \$1,500,000 | \$1,500,000 | \$1,500,000 | \$1,000,000 | \$1,500,000 | \$1,500,000 | \$1,500,000 | \$1,250,000 |
| 4513-1026 Suicide Prevention | \$3,855,239 | \$4,350,000 | \$4,180,748 | \$4,088,940 | \$4,140,051 | \$4,230,748 | \$4,390,051 | \$4,290,051 \$4,340,051 |
| 7004-9033 DHCD Rental Subsidies for DMH | \$5,048,125 | \$5,548,125 | \$5,548,125 | \$5,548,125 | \$5,548,125 | \$6,548,125 | \$6,548,125 | \$5,548,125 |



ABH Preliminary Analysis of the FY18 Budget Governor's Vetoes July 18, 2017

Outside Sections

SECTIONS 9, 11, 12, 18, 45, 47, 49, 83, 84. BSAS Name Change. These sections change the official name of the BSAS to the *Bureau of Substance Addiction Services*.

SECTION 46. Home Health Agency Licensure. Requires DPH to license home health agencies and includes details on the licensing process.

SECTION 48. DPH Data Collection. This section requires the Commissioner of DPH to collect, record, analyze data, assemble, and maintain data system necessary to analyze population health trends, with priority given to fatal and nonfatal opiate overdoses.

SECTION 56, 57. MASAC Transfer. These sections provide flexibility by allowing the Department of Corrections (DOC) to relocate the Massachusetts Alcohol and Substance Abuse Center for treating men committed under Section 35 to any DOC facility rather than requiring that the facility be located at MCI Bridgewater.

SECTION 85. DCF Social Worker Identification. Requires DCF to provide all social workers with state-issued identification cards showing the name and position of the worker and containing a recent picture. No person, facility, school or law enforcement shall require a social worker to provide additional information above this ID. Requires law enforcement agencies to redact the home address and personal telephone numbers of social workers in agency reports.

SECTION 91, 92. Homeless Student Transportation Commission. Extends the date of the Homeless Student Transportation Commission from July 1, 2017 to December 31, 2018 and designates the Secretary of Education as the Chair.

SECTION 102. MassHealth Dental Coverage. Requires MassHealth to cover dental services that were covered as of January 1, 2017 for adults and give notice 45 days before changing benefits and report on the fiscal impact of the changes.

SECTION 103. Inspector General Health Care Audit. Allows the office of the Inspector General to spend \$1 million from the Health Safety Net Trust fund for costs maintaining a health safety net audit unit within the office.

SECTION 115. Health Connector Premium Sharing Feasibility Study. Requires the Connector to report on the feasibility of establishing a small employer premium-sharing plan by October 1, 2018.

~~**SECTION 128, 129. Child Welfare Data Reporting Task Force.** Establishes a task force to develop basic data measures, progress measures and outcome measures to inform the Legislature and the public about the status and demographics of caseloads at DCF, progress in achieving welfare goals and other measures. Repeals the task force as of February 1, 2022.~~ **The Governor indicated he vetoed this section because the reporting requirements in these sections are duplicative of numerous existing reporting requirements.**



ASSOCIATION
FOR BEHAVIORAL
HEALTHCARE

ABH Preliminary Analysis of the FY18 Budget Governor's Vetoes July 18, 2017

SECTIONS 16, 17, 60-67, 93, 110, 111, 122, 146, 147, 150. Employer Contribution to Health Care/Tiered EMAC/ UI Rate Freeze

- Applies to employers with six or more employees (both full and part-time);
- Increases the Employer Medical Assistance Contribution (EMAC) contribution rate for all employees, statewide. Additional annual two-tiered assessment on any employees receiving health insurance through public programs.
- Tier 1 is broad based, raising the current EMAC rate from 0.34 percent to 0.51 percent of annual wages, up to the annual wage cap of \$15,000. Applies to all employers currently subject to EMAC; raises the maximum per-employee contribution rate from \$51 to \$77; state expects to annually collect \$75M under this tier;
- Tier 2 introduces a targeted payment that would require employers to pay an additional 5 percent of annual wages for each non-disabled employee on public coverage, up to the annual wage cap of \$15,000; applies to all employers currently subject to EMAC with non-disabled employees on MassHealth (not in premium assistance) or subsidized Connector coverage (ConnectorCare); Tier 2 would result in an annual maximum per-employee contribution rate of \$750; state expect to collect an estimated \$125M in Fiscal Year 2018 under this tier; the estimate is dependent upon the actual number of individuals on public coverage.
- Waiver applies for anyone receiving insurance through parent, spouse or other household member;
- Implementation date of January 1, 2018 and a sunset date two years later.
- The assessment would be partially offset by a two-year Unemployment Insurance rate adjustment that would save employers \$335 million over two years versus current rates. An automatic increase of three levels to schedule F unemployment insurance due to take effect on January 1 would be replaced with a one-level jump to schedule D for 2018 and another single increase to schedule E for 2019. **Governor Baker vetoed these sections and sent them back with an amendment that included the MassHealth reforms he had previously proposed as part of a package.**