



Senate

General Assembly

File No. 446

January Session, 2001

Substitute Senate Bill No. 270

Senate, April 25, 2001

The Committee on Public Health reported through SEN. HARP of the 10th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING THE ESTABLISHMENT OF A COMMUNITY MENTAL HEALTH STRATEGIC INVESTMENT FUND.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (a) There is established an account in the General
2 Fund to be known as the "Community Mental Health Strategic
3 Investment Fund". The account shall contain all moneys required by
4 law to be deposited in the account and shall be held separate and apart
5 from all other money, funds and accounts. Investment earnings from
6 any moneys in the account shall be credited to the account and shall
7 become part of the assets of the account. Any balance remaining in the
8 account at the end of any fiscal year shall not lapse and shall be
9 available for use for the fiscal year next succeeding. Any proceeds
10 received by the state for the sale or lease of Fairfield Hills Hospital or
11 Norwich Hospital, or any part thereof, shall be credited to the account.

12 (b) The account established under subsection (a) of this section shall
13 be used to provide financial assistance for the development of new or

14 expanded community-based clinical and nonclinical facilities and
15 services for adults and children, including supportive housing for
16 adults with mental health needs.

17 (c) Within the account established under subsection (a) of this
18 section, there shall be three subaccounts: (1) A Community Services
19 Restoration subaccount for the purpose of providing financing for
20 adult mental health community services, including, but not limited to,
21 rental subsidies, case management, assertive community treatment
22 teams, intensive residential programs, specialized treatment programs,
23 regional independent living grants, multicultural services, training,
24 technical assistance and evaluation; (2) a Supportive Housing Pilots
25 Initiative subaccount for the purpose of providing financing for the
26 development costs of additional supportive housing units; and (3) a
27 Community Kidcare Behavioral Health Initiative subaccount for the
28 purpose of providing financing to public and nonprofit early
29 childhood education providers for improvement of programs for the
30 early detection, diagnosis and treatment of mental illness.

31 Sec. 2. (NEW) Expenditures from the Community Mental Health
32 Strategic Investment Fund established under section 1 of this act shall
33 be made pursuant to an annual financial assistance plan approved by
34 the Community Mental Health Strategy Board established under
35 section 3 of this act. The Commissioners of Mental Health and
36 Addiction Services, Children and Families, Economic and Community
37 Development and Social Services shall provide such information,
38 including, but not limited to, information regarding needs
39 assessments, program reviews and program revenues and expenses,
40 and make such recommendations for expenditures from the account
41 established under section 1 of this act, as may be requested by the
42 board.

43 Sec. 3. (NEW) (a) There is established a Community Mental Health
44 Strategy Board consisting of nineteen members. The voting members

45 of the board shall be appointed as follows: (1) Three members by the
46 Governor, including one member who shall be designated by the
47 Governor as chairperson of the board; (2) two members by the
48 president pro tempore of the Senate; (3) two members by the speaker
49 of the House of Representatives; (4) one member by the majority leader
50 of the Senate; (5) one member by the majority leader of the House of
51 Representatives; (6) two members by the minority leader of the Senate;
52 and (7) two members by the minority leader of the House of
53 Representatives. The Secretary of the Office of Policy and Management
54 and the Commissioners of Mental Health and Addiction Services,
55 Children and Families, Economic and Community Development,
56 Education and Social Services, or their designees, shall serve as
57 nonvoting ex-officio members of the board. Board members shall serve
58 without compensation but shall be reimbursed for their necessary
59 expenses.

60 (b) The board, by majority vote of the voting members, shall, not
61 less than annually, approve disbursements from the Community
62 Mental Health Strategic Investment Fund established under section 1
63 of this act for the purposes of sections 1 to 4, inclusive, of this act. The
64 board shall designate the appropriate state agencies to receive such
65 disbursements and to implement the provisions of sections 1 to 4,
66 inclusive, of this act. The board shall designate the assignment of funds
67 not otherwise assigned to such subaccounts established under section
68 1 of this act as the board deems appropriate.

69 (c) The board shall, not later than February first, annually, report to
70 the Governor and the General Assembly, in accordance with the
71 provisions of section 11-4a of the general statutes. The report shall
72 include a description of all disbursements made from the account
73 established under section 1 of this act during the prior fiscal year and
74 an evaluation of the impact of each program or service receiving such
75 disbursements with respect to its effectiveness in expanding access to
76 quality, appropriate community-based mental health care.

77 (d) The board shall be within the Department of Mental Health and
78 Addiction Services for administrative purposes only and shall provide
79 for such staff and other administrative support as be may be required
80 for the purposes of the account established under section 1 of this act.
81 The board may use not more than two per cent of the proceeds of the
82 account for administrative purposes of the account.

83 Sec. 4. (NEW) Not later than January 1, 2002, the Commissioner of
84 Social Services shall amend the Medicaid state plan to provide for
85 coverage of optional adult rehabilitation services supplied by various
86 providers of mental health services, pursuant to a contract with the
87 Department of Mental Health and Addiction Services, for adults with
88 psychiatric disabilities who are clients of said department. Moneys
89 received by the state as federal reimbursement for optional Medicaid
90 adult rehabilitation services shall be credited to the Community
91 Services Restoration subaccount within the account established under
92 section 1 of this act and shall be available for use for the purposes of
93 the subaccount.

94 Sec. 5. The sum of fifty million dollars is appropriated to the
95 Community Mental Health Strategic Investment Fund, from the
96 General Fund, for the fiscal year ending June 30, 2001. Of the funds so
97 appropriated, (1) fifteen million dollars shall be appropriated to the
98 Community Services Restoration subaccount; (2) fifteen million dollars
99 shall be appropriated to the Supportive Housing Pilots Initiative
100 subaccount; and (3) twenty million dollars shall be appropriated to the
101 Community Kidcare Behavioral Health Initiative subaccount.

102 Sec. 6. This act shall take effect from its passage.

PH *Joint Favorable Subst.*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact: See Explanation Below

Affected Agencies: Various

Municipal Impact: None

Explanation

This bill establishes a non-lapsing Community Mental Health Investment (CMHI) Fund within the General Fund. This fund will support various new or expanded mental health initiatives for both adults and children. The bill appropriates \$50 million in FY01 surplus funding to initially capitalize the fund (this appropriation is included in sHB 6668, the Appropriations Act, as favorably approved by the Appropriations Committee). The bill further dedicates any future revenue received for the sale or lease of the Fairfield Hills and Norwich Hospital campuses as well as federal Medicaid revenue from rehabilitation services to the new CMHI Fund.

The dedication of future revenue from the sale or lease of the hospital campuses represents a significant diversion of revenue that would have otherwise been available for other expenditures within the General Fund. Likewise, dedicating any revenue received through the implementation of the Medicaid rehabilitation services option would also reduce future General Fund revenue. The total revenue diverted from the General Fund due to these changes cannot be determined at

this time.

The bill establishes a Community Mental Health Strategy Board to determine how expenditures from the CMHI Fund shall be made, through an annual financial assistance plan. The board is located within DMHAS for administrative purposes only. This board is composed of various members of the public appointed by the legislature as well as representatives from the Departments of Mental Health and Addiction Services (DMHAS), Children and Families, Economic and Community Development, and Social Services, and the Office of Policy and Management. The board must also annually report to the General Assembly. It is expected that these agencies can participate on this board, as well as provide any necessary information and recommendations, within their anticipated budgetary resources.

The bill allows the board to annually spend up to 2% of the CMHI Fund's proceeds for any staff or other administrative support that it may require.

The bill requires the Department of Social Services (DSS) to amend the Medicaid state plan to provide for adult rehabilitative services. DMHAS currently provides a variety of services that may be reimbursable under the Medicaid program if the state implements this option. The impact of the adult rehabilitation option will be dependent upon the population, types of services and providers that are included in the option. It is expected that the state will receive significant additional federal revenue from this option. sHB 6668 (the Appropriations Act) includes FY01 surplus funding of \$650,000 in the DMHAS budget and \$500,000 in the DSS budget to complete the initial actuarial and program design work necessary to implement this option.

While the bill does not explicitly authorize the State Treasurer to administer the CMHI Fund, it is assumed that this practice would occur. Typically, the Office of the State Treasurer retains a portion of a

managed fund to offset its administrative costs.

OLR Bill Analysis

sSB 270

AN ACT CONCERNING THE ESTABLISHMENT OF A COMMUNITY MENTAL HEALTH DEVELOPMENT FUND.**SUMMARY:**

This bill creates a community Mental Health Strategic Investment Fund as a source of financing for clinical and nonclinical community mental health services for adults; supportive housing; and early detection, diagnosis, and treatment of mental illness in children. The new fund is initially capitalized by a \$50 million appropriation from the FY 2000-01 surplus; \$30 million of this is split evenly between subaccounts for community services and supportive housing, while \$20 million goes into a children's behavioral health subaccount.

In future years, the bill requires any proceeds the state receives from the sale or lease of the Norwich or Fairfield Hills hospitals or any part of them to be credited to the fund. It requires the Department of Social Services commissioner to amend the state Medicaid plan by January 1, 2002 to cover Department of Mental Health and Addiction Services (DMHAS) contracts for adult mental health rehabilitation services for its clients. When federal reimbursement for this coverage is received, it must be credited to the fund's community services subaccount.

The bill establishes a 19-member Community Mental Health Strategy Board that approves an annual financial assistance plan directing how the fund is spent and disburses the money to appropriate state agencies.

EFFECTIVE DATE: Upon passage

COMMUNITY MENTAL HEALTH STRATEGIC INVESTMENT FUND

This fund is set up as an account in the General Fund. The bill requires using it to provide financial assistance to develop new or expand existing community-based clinical and nonclinical facilities and

services for adults and children, including supportive housing for adults with mental health needs. It is separate from all other funds, its investment earnings are credited to it, and it does not lapse.

The strategic fund is divided into three subaccounts.

1. A community services restoration subaccount is to finance adult services, which can include rent subsidies, case management, assertive community treatment teams, intensive residential and specialized treatment programs, regional independent living grants, multicultural services, training, technical assistance, and evaluation.
2. A supportive housing pilots initiative subaccount finances the development costs of additional supportive housing units.
3. A community kidcare behavioral health initiative subaccount funds program improvements by public and nonprofit early childhood education providers in the areas of early detection, diagnosis, and treatment of mental illness.

The funds go to state agencies according to an annual plan approved by a Community Mental Health Strategy Board the bill establishes.

COMMUNITY MENTAL HEALTH STRATEGY BOARD

The board consists of 19 members, 13 of whom are voting members. The governor appoints three members, one of whom he designates as chairman. The Senate president pro tempore, House speaker, Senate minority leader, and House minority leader each appoint two members. The House and Senate majority leaders each appoint one. The members are not paid but may be reimbursed for their expenses. The nonvoting members are the Office of Policy and Management secretary and the commissioners of mental health and addiction services, children and families, economic and community development, education, and social services. All nonvoting members can designate someone to serve in their place.

At least once a year, the voting members must approve disbursements from the fund by a majority vote. The board designates the state

agencies that receive the disbursements. It can also assign undesignated revenue among the subaccounts as it determines appropriate.

The bill requires its nonvoting state agency members (except the education commissioner) to provide information the board asks for including needs assessments, program reviews, and program revenues and expenditures. The board must report annually to the governor and legislature beginning February 1, 2002 on its prior fiscal year's disbursements. The report must also evaluate the effectiveness of each program or service that received funding in expanding access to quality, appropriate community-based mental health care.

The board is in DMHAS for administrative purposes, and DMHAS must provide it with staff and administrative support. It can use up to 2% of the strategic fund account for administration.

COMMITTEE ACTION

Public Health Committee

Joint Favorable Substitute
Yea 21 Nay 4