

Change Item Title: Eliminate Alternative to Moose Lake Grant

Fiscal Impact (\$000s)	FY 2014	FY 2015	FY 2016	FY 2017
General Fund				
Expenditures	(2,653)	(2,653)	(2,653)	(2,653)
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	(2,653)	(2,653)	(2,653)	(2,653)

Recommendation:

The Governor recommends eliminating grants used to subsidize programs in the non-metro community hospitals that serve clients who require stays that are longer than the assigned Diagnostic Related Group (DRG) which is seven days, and where there are no other payment sources available. This grant was originally created as part of the closure of the Moose Lake Regional Treatment Center.

Rationale/Background:

Originally created as part of the closure of the Moose Lake Regional Treatment Center in 1995, this grant was developed to provide an operating subsidy to hospital psychiatric programs to serve individuals who were uninsured/underinsured and who were not eligible to be served in a Medical Assistance (MA) contract bed. This grant is made to a hospital to help augment their psychiatric program and as such, patient specific data relating to the use of these funds is not collected. The operating subsidy grant was first limited to four community hospitals in the Moose Lake area in conjunction with MA contracts for continue stay payments. Later, during the closure of other State-Operated regional treatment facilities, additional subsidy agreements were awarded to non-metro hospital outside of the Moose Lake area using funds transferred from the regional treatment facilities operating funds to the grant during the closing of the facilities.

Since the inception of this grant, significant changes have been made to the mental health system in the state to expand the availability of mental health services. Along with availability of the MA contracts for inpatient services with 18 community hospitals for inpatient psychiatric services, there are now seven regional Community Behavioral Health Hospitals (operated by State-Operated Services), 423 Intensive Residential Treatment beds, 105 crisis stabilization beds for short-term mental health crises, and 112 beds at Anoka-Metro Regional Treatment Center. Also, with the planned expansion of Medicaid eligibility for Adult without Children, the population these grants were originally targeted to serve will be reduced considerably from the level present during the mid-1990s.

As this grant is provided to subsidize a program and not as a payment for actual services, the ability to track performance outcomes from this funding is limited and does not assist the agency in monitoring resource effectiveness.

Proposal:

This proposal provides savings to the overall budget solutions through reduced expenditures.

Performance Measures:

Not Applicable

Statutory Change: Not Applicable

DHS Fiscal Detail for Budget Tracking

Net Impact by Fund (000's)	FY 2014	FY 2015	FY 14-15	FY 2016	FY 2017	FY 16-17
General Fund	(2,653)	(2,653)	(5,306)	(2,653)	(2,653)	(5,306)
HCAF Fund						
Total All Funds						

2014-15 Biennial Budget

Human Services

Budget Detail	BACT#	Description	FY 2014	FY 2015	FY 14-15	FY 2016	FY 2017	FY 16-17
GF	57	Adult MH Grants	(2,653)	(2,653)	(5,306)	(2,653)	(2,653)	(5,306)
Requested FTE's								
GF								