

  
*Colorado Legislative Council Staff Fiscal Note*  
**STATE**  
**FISCAL IMPACT**

**Drafting Number:** LLS 10-0190  
**Prime Sponsor(s):** Rep. Frangas  
 Sen. Boyd

**Date:** February 1, 2010  
**Bill Status:** House Health and Human Services  
**Fiscal Analyst:** Janis Baron (303-866-3523)

**TITLE:** CONCERNING BEHAVIORAL HEALTH CRISIS RESPONSE SERVICES.

Fiscal Impact Summary	FY 2010-2011	FY 2011-2012
<b>State Revenue</b>		
<b>State Expenditures*</b>		
General Fund	\$577,591	\$580,364
<b>FTE Position Change</b>	0.9 FTE	1.0 FTE
<b>Effective Date:</b> Upon signature of the Governor, or upon becoming law without his signature.		
<b>Appropriation Summary for FY 2010-2011:</b> See State Appropriations section.		
<b>Local Government Impact:</b> None.		

\* See State Expenditures section for contract service costs not included.

**Summary of Legislation**

This bill is recommended by the Health Care Task Force, and includes the following provisions:

- requires the Department of Human Services, to the extent practicable, to contract with a nonprofit entity to provide services to persons suffering from mental health or substance abuse crisis through a statewide coordinated crisis response system;
- requires the department to determine the specific contract services;
- specifies the types of contract services that may be provided;
- requires the department to maintain policy-making authority over contract services, monitor compliance, and evaluate performance of the nonprofit entity;
- delineates the requirements of the contracting entity;
- specifies that the department shall not be required to enter into a contract for such services if it determines that doing so would not be cost effective, services offered are not appropriate, or that services may be provided in a different manner; and
- establishes reporting requirements.

## **State Expenditures**

**Department of Human Services.** The bill is assessed at having a fiscal impact of \$577,591 in FY 2010-11 and \$580,364 in FY 2011-12. Costs components and assumptions used in determining the bill's fiscal impact are discussed below.

All contract costs are based on the experience of Metro Crisis Services, Inc., a private non-profit entity. Over the past three years, it has developed a system and process to provide easily accessible crisis services 24 hours per day, 365 days a year. A crisis hotline will be staffed by mental health professionals responding to about 100,000 calls per year. Additionally, 3 crisis centers will eventually provide intervention, assessment, support, stabilization and treatment to over 17,000 people in crisis annually. The crisis hotline will be rolled out in 2010 and the first crisis center will follow in 2011.

- ***Contract Mental Health Services — \$490,000 annually.*** The department will contract for 8 mental health professionals and associated operating and support staff at a cost of \$61,250 per position. These people will staff a 24-hour crisis hotline. Although the bill requires the department to contract for services statewide, this analysis presumes that the contract will not duplicate services provided by Metro Crisis Services, Inc.
- ***Contract Information Technology Bandwidth Infrastructure — \$10,000 annually.*** The contracting entity will need computer capacity to archive telephone calls, identify treatment openings for referrals, and maintain small scale medical records on persons calling for crisis services.
- ***Personal Services and Associated Costs — \$77,591 and 0.9 FTE in FY 2010-11 and \$80,364 and 1.0 FTE in FY 2011-12.*** Department staff is needed to determine contract services, specify contract performance goals and time frames, execute a request for proposals, monitor contract compliance, evaluate performance, and report to the General Assembly.

***Contract Costs not Included for Crisis Counseling and Stabilization or Short-term Treatment— \$22.5 million.*** It is important to underscore that the bill requires the department to contract with a nonprofit entity to provide services to persons suffering from a mental health or substance abuse crisis to the extent practicable. A contract shall not be entered into if the department determines that the contract is not cost effective for the state. It is estimated that 5 community-based crisis centers would be needed to provide such services statewide at a cost of \$4.5 million per center per year. Given the state's current economic situation, this analysis assumes it is neither practicable nor cost effective to proceed with offering such services at this time.

**Expenditures Not Included**

Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. The centrally appropriated costs subject to this policy are summarized in Table 2.

<b>Table 1. Expenditures Not Included Under HB10-1032*</b>		
<b>Cost Components</b>	<b>FY 2010-11</b>	<b>FY 2011-12</b>
Employee Insurance (Health, Life, Dental, and Short-term Disability)	\$6,390	\$7,100
Supplemental Employee Retirement Payments	2,915	3,941
<b>TOTAL</b>	<b>\$9,305</b>	<b>\$11,041</b>

*\*More information is available at: <http://www.colorado.gov/cs/Satellite/CGA-LegislativeCouncil/CLC/1200536133924>*

**State Appropriations**

For FY 2010-11, the Department of Human Services requires a General Fund appropriation of \$577,591 and 0.9 FTE.

**Departments Contacted**

Human Services