

Revised based on amendments adopted through 5-19-15

**FISCAL NOTE**  
**LEGISLATIVE FISCAL ANALYST ESTIMATE**

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2015-16</b>		<b>FY 2016-17</b>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	11,750		304,920	
CASH FUNDS				
FEDERAL FUNDS	11,750		702,925	
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<b>23,500</b>		<b>1,007,845</b>	

**Any Fiscal Notes received from state agencies and political subdivisions are attached following the Legislative Fiscal Analyst Estimate.**

This bill would require the Department of Health and Human Services to submit a Medicaid state plan amendment to allow for payments for Multi-Systemic Therapy (MST).

MST is a behavioral health service for treatment of juvenile offenders to address multiple variables shown to be factors in adolescent delinquency and recidivism. It is a time-limited intensive treatment intended to prevent or reduce the utilization of higher level out-of-home services.

Due to the time needed to request and receive federal approval, the fiscal note assumes implementation on July 1, 2016. The training of teams to perform MST is very extensive and will take three months per team. The Sherwood Foundation has committed funding to cover the training costs. The plan is to have four teams in place on July 1, 2016 and four more on January 1, 2017. The plan is to continue to increase the number of teams into the next biennium. The estimated cost to Medicaid in FY 17 is \$1,257,845 (\$554,920 GF and \$702,925 FF). The children most appropriate for MST will likely be those on probation. Savings to State Probation Administration will be \$250,000. The net General Fund impact in FY 17 is \$304,920. In the next biennium, as more services are added, Medicaid costs will increase, as will the savings for State Probation.

Due to the implementation date coinciding with the new behavioral health managed care contract, the actuarial study that is required for changes to behavioral health capitation rates will not be a separate contract but incorporated into the one for all of Medicaid. Although the A-bill contains the appropriation for a separate contract, the funding provided of \$23,500 (\$11,750 GF and FF) in FY 16 is not needed.