

BILL ANALYSIS

SENATE COMMITTEE ON APPROPRIATIONS
Senator Ricardo Lara, Chair
2015 - 2016 Regular Session

SB 614 (Leno) - Medi-Cal: mental health services: peer and family support specialist certification

Version: April 6, 2015	Policy Vote: HEALTH 9 - 0

Urgency: No	Mandate: No

Hearing Date: April 27, 2015	Consultant: Brendan McCarthy

This bill meets the criteria for referral to the Suspense File.

Bill

Summary: SB 614 would require the Department of Health Care Services to establish a program for certifying peer and family support specialists (PFSS) to provide services to Medi-Cal beneficiaries with mental health care needs.

Fiscal

Impact:

One-time costs, likely in the hundreds of thousands per year for one to three years, to develop program standards and seek federal approvals by the Department of Health Care Services (Mental Health Services Act funds, General Fund, and federal funds). The bill requires the Department to establish a certifying body for PFSS, to define the responsibilities of PFSS, specify training requirements, set other standards, and adopt regulations. The bill also requires the Department to amend its State Plan for the Medi-Cal program to allow PFSS to provide services. Staff estimates that the Department will incur additional staff costs in the hundreds of thousands per year for one to three years.

Uncertain ongoing costs to manage the program (Mental Health Service Act funds, General Fund, federal funds, or special funds). The bill requires the Department to establish a certifying body to provide for the certification of PFSS.

However, the bill also requires the Department to provide for statewide certification of PFSS. If the Department is able to designate one or more third-party bodies to provide certification to PFSS, then the annual cost to administer the certification program is likely to be minimal. However, if the Department is unable to identify a third-party organization to certify PFSS, then the bill appears to require the Department to fulfill that role. The total cost to actually provide certification services is unknown, and will depend on the number of applicants. If the Department fulfills that responsibility, the annual costs could be in the hundreds of thousands to millions per year (although they could be offset by application fee revenues).

Uncertain impact on county mental health plans that provide specialty mental health services in the Medi-Cal program (county funds and federal funds). Under current law, county mental health plans provide services for Medi-Cal beneficiaries with moderate to severe mental health issues. Creating a new provider type who can provide services to this population may increase overall service utilization, by addressing shortages of providers, which would increase costs. On the other hand, PFSS are likely to be a less costly provider type than other mental health providers in Medi-Cal and could potentially reduce expenditures by providing certain services in a more cost-effective manner. Also, to the extent that counties are already providing peer support services, they are currently unable to draw down federal funding for those costs. Under this bill, they would be able to do so. Finally, to the extent that PFSS are able to provide support and assistance to Medi-Cal beneficiaries with mental illness, it is also possible that the program may reduce the need for more expensive services such as inpatient hospitalizations. The extent to which such cost avoidance may occur is unknown.

Uncertain impact on Medi-Cal managed care plans that provide mental health services to Medi-Cal beneficiaries when the mental illness is not severe (General Fund and federal funds). Under current law, Medi-Cal managed care plans provide coverage for mental health service needs of enrolled beneficiaries when the mental illness is not severe enough to warrant specialty mental health services. Creating a new provider type who can provide services to this population may increase overall service utilization, by addressing shortages of providers, which would increase costs. On the other hand, PFSS are likely to be a less costly provider type than other mental health providers in Medi-Cal and could potentially reduce expenditures by providing certain services in a more cost-effective manner. Finally, to the extent that PFSS are able to provide support and assistance to Medi-Cal beneficiaries with mental illness, it is also possible that the program may reduce the need for more expensive services such as inpatient hospitalizations. The extent to which such cost avoidance may occur is unknown.

Background: Under state and federal law, the Department of Health Care Services operates the Medi-Cal program, which provides health care coverage to low income individuals, families, and children. Medi-Cal provides coverage to childless adults and parents with household incomes up to 138 percent of the federal poverty level and to children with household incomes up to 266 percent of the federal poverty level. The federal government provides matching funds that vary from 50 percent to 90 percent of expenditures depending on the category of beneficiary.

Under current law, the provision of mental health services to Medi-Cal beneficiaries is divided between service delivery systems, based on the severity of the mental illness. Beneficiaries with mild mental illness are provided with mental health services by Medi-Cal managed care plans (the vast majority of Medi-Cal beneficiaries are enrolled in managed care plans). Beneficiaries with moderate to severe mental illness are provided mental health services by county mental health plans.

Federal law allows states to include peer and family support specialists to provide services in state Medicaid programs, provided that PFSS are certified in that state. In California,

PFSS are an eligible service provider for substance use disorder services, but not for mental health services.

Proposed Law:

SB 614 would require the Department of Health Care Services to establish a program for certifying peer and family support specialists (PFSS) to provide services to Medi-Cal beneficiaries with mental health care needs.

Specific provisions of the bill would:

- Require the Department of Health Care Services to establish a peer and family support specialist program by July 1, 2016;
- Require the Department to establish a certifying body, define the responsibilities and training requirements for PFSS, and establish other requirements on PFSS;
- Require the Department to amend its State Medicaid Plan to include PFSS as a provider type and peer support specialist services as a service type;
- Authorize the use of Mental Health Services Act and Workforce Training and Education Program funds to implement the bill;
- Require the Department to adopt implementing regulations by July 1, 2018, but allow the Department to implement the bill without adopting regulations until the regulations are adopted.

Related

Legislation: SB 2374 (Mansoor, Statutes of 2014) requires the Department to conduct periodic reviews of certifying organizations for substance use disorder counselors.

Staff

Comments: Current federal law allows states to apply for "Section 1115 waivers" of requirements of the federal Social

Security Act. This process allows states, on a case by case basis, to make changes to their Medicaid program with the approval of the federal Centers for Medicare and Medicaid

Services. In general, for the federal government to approve a waiver, the state must demonstrate that will assist in promoting the objectives of Medicaid and that total federal costs will not exceed fee-for-service equivalent costs to the federal government over the period of the waiver, typically five years. The Department of Health Care Services has been engaged in the process for developing a new Section 1115 waiver and has submitted a preliminary proposal to the federal government. Under that proposal, the state would be eligible for about \$17 billion in additional federal funding to invest in innovative programs, such as more comprehensive care for the uninsured population, workforce development, and programs to transform health care delivery systems. In the state's preliminary proposal to the federal government, the Department included peer support specialists as a target for additional workforce development funding. To the extent that the state's initial proposal is ultimately adopted, there may be additional federal funding available to support the use of peer and family support specialist in the Medi-Cal program.

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