



2017-2018 General Assembly

# SENATE BILL 257: Appropriations Act of 2017, Sec. 11F.2: Single-Stream Funding for MH/DD/SAS Community Services

**Committee:**  
**Introduced by:**  
**Analysis of:** Sec. 11F.2 of S.L. 2017-57

**Date:** August 22, 2017  
**Prepared by:** Jennifer Hillman  
Staff Attorney

**OVERVIEW:** *Sec. 11F.2 of S.L. 2017-57, as amended by Sec. 4 of S.L. 2017-206, directs the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services of the Department of Health and Human Services (DHHS) to make single-stream funding payments to local management entities/managed care organizations (LME/MCOs) for behavioral health services on the third working day of each month of the year. This section also reduces the total amount of single-stream funding available to the Division in each year of the biennium compared to past budgets and directs the Division to allocate the reduction in funding among the LME/MCOs according to a prescribed schedule. By March 1, 2018, the Secretary of Health and Human Services may submit to the Joint Legislative Oversight Committee on Health and Human Services a proposal for any adjustments to the allocation of the recurring LME/MCO reductions. In the event of a Medicaid budget surplus in either year of the biennium, then the amount of the surplus, not to exceed \$30 million in each year, may be used to offset the single-stream funding reductions required by this section.*

*This section also requires the following:*

- *LME/MCOs must offer the same level of service utilization as during the 2014-2015 fiscal year across the LME/MCO's catchment area.*
- *DHHS must establish an annual maintenance of effort (MOE) spending requirement for all mental health and substance abuse services, which the LME/MCOs must meet using State appropriations, in order to meet MOE requirements for federal block grant awards.*
- *DHHS must report certain financial information for all LME/MCOs monthly to the Joint Legislative Oversight Committee on Health and Human Services.*
- *Each quarter, beginning July 1, 2017, the Secretary of DHHS must evaluate all LME/MCOs relative to solvency standards developed by DHHS. If the Secretary determines that an LME/MCO is at risk of failing financially within two years, then a plan of corrective action for the LME/MCO must be created and implemented. By October 1, 2017, the Secretary of DHHS must submit a report to the Joint Legislative Oversight Committee on Health and Human Services on any LME/MCO that has been determined to be at risk of failing financially in accordance with this section.*

*This section became effective July 1, 2017.*

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