



CONGRESSIONAL BUDGET OFFICE  
U.S. Congress  
Washington, DC 20515

*Keith Hall, Director*

July 5, 2016

Honorable Fred Upton  
Chairman  
Committee on Energy  
and Commerce  
U.S. House of Representatives  
Washington, DC 20515

*Re: Helping Families in Mental Health Crisis Act of 2015*

Dear Mr. Chairman:

The Congressional Budget Office has estimated the direct spending effects of H.R. 2646, the Helping Families in Mental Health Crisis Act of 2016, as reported by the House Committee on Energy and Commerce on June 15, 2016.

CBO estimates that enacting H.R. 2646 would reduce net direct spending in the Medicaid program by \$5 million over the 2017-2026 period (see enclosed table). Pay-as-you-go procedures apply because enacting the legislation would affect direct spending. H.R. 2646 would not affect revenues.

Implementing the legislation also would affect spending subject to appropriation mostly because it would reauthorize and make changes to several grant programs administered by the Substance Abuse and Mental Health Services Administration. However, CBO has not yet completed an estimate of the effects the bill would have on discretionary spending.

CBO estimates that enacting the legislation would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2027.

### **Providing Services to Children in Institutions of Mental Disease**

Section 206 of the bill would allow federal reimbursement for certain medical services (such as screening, diagnostic, and treatment services) for

children and young adults receiving inpatient care in institutions of mental disease (IMDs), beginning in 2019. Under current law, federal reimbursement is limited to inpatient psychiatric services for these individuals. Based on an analysis of administrative data from the Department of Health and Human Services, CBO estimates that enacting this provision would increase federal spending on average each year by about \$250 per child or young adult in an IMD. As a result, CBO estimates that section 206 would cost \$285 million over the 2017-2026 period.

### **Electronic Visit Verification Systems**

Section 207 of the bill would require state Medicaid programs to implement an electronic visit verification system (EVV) for verifying the arrival and departure time of attendants who provide personal care or home health care services in a beneficiary's home. Federal payments to a state for personal care services would be reduced if a state fails to implement an EVV for those services by January 1, 2019. Similarly, federal payments for home health care services would be reduced if a state fails to implement an EVV for those services by January 1, 2023.

Based on information from states and other stakeholders, CBO estimates that EVV programs would reduce spending for personal care services and home health services by less than 1 percent, on average, over the 2017-2026 period. Because of the flexibility that H.R. 2646 would provide to states to establish such programs, CBO expects that some states would generate significantly higher savings than the average and others would generate little to no savings. CBO does not expect that any states would have their federal payments reduced as a result of the provision.

Under current law, about two thirds of spending for personal care services and less than a third of spending for home health services are estimated to be subject to EVV over the next ten years because of programs initiated voluntarily by some states. After adjusting for EVV programs that will be in place under current law, CBO estimates that enacting section 207 would reduce direct spending by \$290 million over the 2017-2026 period.

### **Other Provisions**

Section 201 of H.R. 2646 would allow states to continue to provide separate Medicaid payments for mental health services and primary care services that are furnished on the same day. Section 202 of the bill would

allow states to receive Medicaid reimbursement for payments made to managed care organizations for treatment in IMDs for adult beneficiaries in certain limited circumstances. That section codifies a provision in a final rule published in the *Federal Register* on May 6, 2016. Because sections 201 and 202 would codify current policies, CBO estimates that they would have no effect on the federal budget.

### **Long-Term Budgetary Effects**

CBO estimates that enacting the legislation would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2027.

### **Intergovernmental and Private-Sector Mandates**

H.R. 2646 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act. CBO estimates that provisions in the bill that would decrease federal spending in Medicaid would similarly result in a reduction in state spending for Medicaid over the 2017-2026 period.

If you wish further details on this estimate, we would be pleased to provide them. The CBO staff contact is Lisa Ramirez-Branum.

Sincerely,



Keith Hall  
Director

Enclosure

cc: Honorable Frank Pallone Jr.  
Ranking Member

Honorable Tim Murphy

**CBO Estimate of the Direct Spending Effects for H.R. 2646, the Helping Families in Mental Health Crisis Act of 2016, as Ordered Reported by the Committee on Energy and Commerce on June 15, 2016**

(Millions of dollars, by fiscal year)

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2017- 2021	2017- 2026
<b>CHANGES IN DIRECT SPENDING</b>												
<b>Providing Services to Children in Institutions of Mental Disease</b>												
Estimated Budget Authority	0	0	23	33	34	35	37	39	41	43	90	285
Estimated Outlays	0	0	23	33	34	35	37	39	41	43	90	285
<b>Electronic Visit Verification Systems</b>												
Estimated Budget Authority	0	0	-11	-21	-30	-39	-43	-46	-48	-52	-61	-290
Estimated Outlays	0	0	-11	-21	-30	-39	-43	-46	-48	-52	-61	-290
<b>Total</b>												
Estimated Budget Authority	0	0	13	12	4	-4	-6	-7	-7	-9	29	-5
Estimated Outlays	0	0	13	12	4	-4	-6	-7	-7	-9	29	-5

Source: Congressional Budget Office

Notes: Components may not add to totals because of rounding.

Other provisions of H.R. 2464 would affect spending subject to appropriation. Those provisions would authorize grant programs administered by the Substance Abuse and Mental Health Services Administration and would direct the Administrator of the Centers for Medicare and Medicaid Services to conduct studies, issue guidance, and issue reports. However, CBO has not yet completed an estimate of the discretionary costs of implementing the bill.