

FY23 Rate Increase and Implications for FY24

Agency 025 (DHHS)

Program 038 (BH Services including Regional Behavioral Health Authorities)

Summary of Budget Changes

FY 22 Unspent Funds:

\$16,500,000 in unexpended funds were carried into FY23 (no new money was allocated for the 15% rate increase)

Of which, \$10,305,951 was kept in Program 038 to fund 15% rate increases in FY 23. Of that amount, \$10,008,099 was used by RBHAs to fund network provider rate increases. The balance, \$297,852 funded rate increases in other contracts directly held by DBH.

Note:

- Region 3's share of the \$10.3 million is \$1,548,336
- The \$10.3 million did not cover the entire cost of the rate increase; therefore Region 3 utilized other state general funds to cover the full cost.

\$6,194,049 of the unexpended dollars moved to other systems for their rate increases.

FY 23 Base Funding:

Program 038 sustainable funds were reduced by \$6,194,049. It is unclear why the FY23 funding was reduced. (No one in DBH or the Legislative Fiscal Office can provide an explanation why sustainable funds in FY23 were reduced.)

FY 24 Budget:

The HHS budget request includes a Program 038 request of \$10,305,951 to sustain the 15% rate increases given in FY23 with unexpended FY22 dollars.

The HHS budget request also includes \$6,194,049 to add back in the base what was also reduced in FY23.