FY27 Conference Report (Final Budget)

Specific Mental Health/Substance Abuse Services Line items

	FY'25 (Final)	FY'26 (Final)	FY'27 (Final)
-CMH Non-Medicaid services	$125,578,200	$125,578,200	$125,578,200
-Medicaid Mental Health Services	$3,387,066,600	$3,188,847,900	$3,429,794,900
-Medicaid Substance Abuse services	$95,650,100	$96,323,300	$86,779,200
-State disability assistance program	$2,018,800	$2,018,800	$1,865,200
-Community substance abuse (Prevention, education, and treatment programs)	$79,626,200	$79,207,900	$77,133,400
-Health Homes Program	$53,418,500	$50,239,800	$34,239,800
-Autism services	$329,620,000	$467,644,200	$552,239,000
-Healthy MI Plan (Behavioral health)	$527,784,600	$438,267,500	$392,882,000
-CCBHC	$525,913,900	$916,062,700	$916,062,700
-Total Local Dollars	$10,190,500	$9,943,600	$9,943,600

Other Highlights of the FY27 Final Budget:

Boilerplate sections NOT included:

Sec. 1020. PIHP Request for Proposal – NOT INCLUDED

Sec. 1021. "Mental Health Framework" Prohibition – NOT INCLUDED

Sec. 1022. Waskul Cost Reimbursements – NOT INCLUDED

Direct Care Worker Wages

- Executive includes $351.8 million Gross ($118.9 million GF/GP) to backfill federal COVID-19 Public Health Emergency (ARPA) revenue and retain $3.40 per hour wage add-on, incorporate state minimum wage increases for CY 2025 and 2026, include an additional $1.27 per hour increase to recognize minimum wage rate effective January 1, 2027, and provide for statutorily-required sick-leave payment costs for Medicaid reimbursed Direct Care Worker wages. **Conference does not include in FY 2026-27, but includes in a FY 2025-26 supplemental.**

- FY26 Supplemental Budget Boilerplate: Sec. 409. Direct Care Wages Allocates funds for minimum wages increases in 2026, 2027, and sick leave costs related to changes to state law; designates unexpended funds as a work project appropriate.

Applied Behavior Analysis (ABA) Service Delivery

- Conference reduces $21.6 million Gross ($7.4 million GF/GP) from the department implementing service and delivery changes to ABA services either independently or associated with federal policy or regulatory modifications. Section 923 is related boilerplate.

Certified Community Behavioral Health Clinics (CCBHCs)

- Includes $7.9 million GF/GP to offset a like amount of federal funds based on updated, anticipated federal cost reimbursements.

- **Conference moves $242.3 million Gross ($46.0 million GF/GP) to the one-time unit.** This results in a net $0 change in FY 2026-27.

Crisis Stabilization Unit Expansion – One-Time

- Conference includes $5.0 million GF/GP on a one-time basis.to expand the number of crisis stabilization units.

Medicaid Efficiencies – (479,703,400 Gross savings) / (185,000,000 GF/GP savings)

- The Conference reduced funding due to changes to the pharmaceutical program such as participation in the GENEROUS program, utilization of a single pharmaceutical benefits manager, increased utilization of generic and biosimilars, and prescription fee alignment ($311.2 million Gross and $84.0 million GF/GP)
- Carving out of the Medicaid adult dental program ($48.8 million Gross and $11.3 million GF/GP)
- Medicaid autism services utilization review ($21.6 million Gross and $7.4 million GF/GP)
- Medicaid Health Maintenance Organization administrative reductions ($20.3 million Gross and $5.0 million GF/GP)
- Medicaid third-party contract savings ($7.0 million Gross and $3.5 million GF/GP)
- Eliminated the non-Medicaid long term care direct care worker wage backfill ($73.9 million Gross and GF/GP)

Conference One-Time Items

Conference includes 5.4 million GF/GP for the following one-time items:

- Center for Behavioral Health - $2.0 million GF/GP.

- Common Ground Crisis Center - $405,000 GF/GP.
- St. Louis Center - $2.0 million GF/GP.
- First Responder Mental Health Supports - $1.0 million GF/GP.

Behavioral Health Boilerplate Changes

Sec. 226. U.S. Citizenship Requirement **– NOT INCLUDED**

Sec. 227. Prohibition on DEI Programs – **NOT INCLUDED**

REVISED Sec. 231. 264. Direct Care Worker Wage Increase and Report – Conference revises to remove specific direct care wage and references rate of previous fiscal year; requires pass-through of wage uplift directly to direct care workers, and requires documented proof from contractors; and requires the department to recoup payments from employers that do not provide for the wage uplift pass-through.

REVISED Sec. 920. Rate-Setting Process for PIHPs – Requires the Medicaid rate-setting process for PIHPs include any state and federal wage and compensation increases. **Conference adds requirement that DHHS complete rate setting process before requiring PIHPs to implement new direct care worker wage requirements, and requires a report.**

NEW Sec. 923. ABA Adjustments – Conference requires DHHS to identify and implement services delivery and policy modifications to realize utilization efficiencies for ABA either independently or in alignment with federal policy modifications.

REVISED Sec. 924. Autism Services Fee Schedule – Requires DHHS to maintain a fee schedule for autism services by not allowing expenditures used for actuarially sound rate certification to exceed the identified fee schedule, also sets behavioral technician fee schedule at not less than $66.00 per hour. **Executive revises to only require a minimum fee of not less than $66.00 per hour for behavioral technicians. Conference concur with the Executive.**

NEW Sec. 925. Autism Services Quality Control – Requires DHHS to dedicate up to $1.0% from the autism line to contract with an independent agency to identify fraud, institute quality control measures, and provide technical assistance to improve outcomes and accountability.

RETAINTED: Sec. 994. National Accreditation Review Criteria for Behavioral Health Services – House retains Requires DHHS to seek, if necessary, a federal waiver to allow a CMHSP, PIHP, or subcontracting provider agency that is reviewed and accredited by a national accrediting entity for behavioral health care services to be in compliance with state program review and audit requirements; requires a report that lists each CMHSP, PIHP, and subcontracting provider agency that is considered in compliance with state requirements; requires DHHS to continue to comply with state and federal law not initiate an action by negatively impacts beneficiary safety; defines “national accrediting entity.”

RETAINED Sec. 1002. Prohibition on using appropriated funds to expand the certified community behavioral health clinic (CCBHC) demonstration.

Sec. 1020. PIHP Request for Proposal – NOT INCLUDED

Sec. 1021. “Mental Health Framework” Prohibition – NOT INCLUDED

Sec. 1022. Waskul Cost Reimbursements – NOT INCLUDED

NEW Sec. 1530. Medicaid Waiver Approvals – House prohibits the department from requesting or implementing a CMS waiver or Medicaid State Plan amendment prior to statutory approval. Senate does not include. Conference concurs with the House.

NEW Sec. 1762/1793. Medicaid Health Plan – Medical Loss Ratio – House requires department to ensure adherence to CMS guidance for Medicaid health plans medical loss ratio requirements. Conference requires adherence to CMS guidance for medical loss ratio requirements, and disallows use of investment income as part of medical loss ratio.