

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION**

**March 30, 2011**

**TO:** Honorable Lois W. Kolkhorst, Chair, House Committee on Public Health

**FROM:** John S O'Brien, Director, Legislative Budget Board

**IN RE: HB836** by Shelton (Relating to certain persons receiving mental health services.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB836, As Introduced: a negative impact of (\$81,873,296) through the biennium ending August 31, 2013.

**General Revenue-Related Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</b>
2012	(\$40,936,648)
2013	(\$40,936,648)
2014	(\$40,936,648)
2015	(\$40,936,648)
2016	(\$40,936,648)

**All Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable Savings/(Cost) from General Revenue Fund 1</b>
2012	(\$40,936,648)
2013	(\$40,936,648)
2014	(\$40,936,648)
2015	(\$40,936,648)
2016	(\$40,936,648)

**Fiscal Analysis**

The bill amends Chapter 574 of the Health and Safety Code to allow the court, in an order that already directs a patient to participate in outpatient mental health services, to also order a patient to take psychoactive medications.

Section 2 (a) and (b)

The court may order the patient to receive the treatment only if the court finds certain clear and convincing evidence including the following: treatment with psychoactive medications is in the best interest of the patient; without this treatment the patient will likely be involuntarily admitted to an inpatient mental health facility before the first anniversary of the date the order is issued and be treated with that psychoactive medication during that admission; and the patient has demonstrated a continuing pattern of behavior that tends to confirm the likelihood of serious harm to the patient or others. To demonstrate a continuing pattern of behavior, the evidence must include that the patient has received involuntary inpatient mental health services not less than three times within the 18-month

period preceding the date the order is issued; or five times during the patient's lifetime.

#### Section 2 (d)

A court that orders a patient to receive outpatient treatment with psychoactive medication pursuant to the bill shall determine whether an assertive community treatment team (ACT) or a mobile crisis outreach team is available to monitor the patient, assist the patient, and recommend that the patient receive necessary inpatient mental health services.

#### Section 2 (e)

The court, in an order that directs a patient to receive outpatient treatment with psychoactive medication pursuant to the bill, shall require local mental health authorities (LMHAs) to provide the patient with any of the following services that the patient requests: (1) counseling; (2) supervised or assisted living; (3) educational or vocational training; (4) enrollment in a day program or partial day program; and (5) alcohol or substance abuse treatment.

### **Methodology**

According to the Department of State Health Services (DSHS) there are currently approximately 2,278 people in Texas that a court could order to take psychoactive medications as part of outpatient mental health services pursuant to Section 2 (a) and (b). These same 2,278 people would also be entitled to receive the services that LMHAs are required to provide to them at their request pursuant to Section 2 (d) and (e). DSHS makes the following assumptions regarding these costs:

#### ACT Services

The average cost for ACT services is approximately \$11,334 per year for each of these individuals (this cost includes: psychosocial rehabilitation, physician services, medication services, assessment, medication training and supports):  $2,278 \times \$11,334 = \$25,818,852$  per year.

#### Educational or Vocational Training

The cost for supported employment is approximately \$126.08/hr per person. The suggested amount of employment services one receives is approximately 5 hours/month:  $126.08 \times 5 = \$630.40$ /month, which = \$7,564/year per person. DSHS assumes on average 60% of the patients will request these services:  $1,366.80 \times \$7,564 = \$10,338,475$ .

#### Supervised or Assisted Living

The cost for assisted living per person is approximately \$1,807/month according to Area Agency on Aging of the Capital Area. This is the basic room and board plus personal care costs. To provide this for one year it would cost \$21,684 per person. The Department assumes that the percentage of people requesting assisted living will still be 14%:  $318.92 \times 21,684 = \$6,915,461$ .

Additionally, the cost for permanent supported housing, which includes rental stipends, is approximately \$9,500/year per person. The Department assumes that the percentage of people requesting stipends is 62%:  $1,412.36 \times 9,500 = \$13,417,420$ .

#### Counseling

The cost of a full cognitive behavioral therapy round is \$1,508 per year per person. DSHS estimates 90% to allow for a small percentage of people who may not select this service:  $2,050.20 \times \$1,508 = \$3,091,702$ .

#### Day Program

The cost of a day program is \$20.30 per hour for 6 hours, which equals \$121.80/person each day. If a person were to attend a day program for one year the cost would be \$32,277 per person. It is assumed

that currently most communities do not offer day programming activities; however, the LMHAs would make it available if court ordered. DSHS assumes that 40% will request a day program:  $911.20 \times \$32,277 = \$29,410,802$ .

The total cost for all of these services is \$88,992,712 a fiscal year. DSHS currently contracts with LMHAs to provide these types of services. According to DSHS approximately 46% of Adult Mental Health Outpatient Services, of which these types of services would be a subset, are funded with General Revenue Funds. Based on this estimate, DSHS assumes the average cost to the state to implement these provisions in each fiscal year to be: \$40,936,648.

Since these are contracted costs DSHS will not require any additional FTEs to support the implementation of the bill.

The bill takes effect September 1, 2011.

### **Local Government Impact**

According to DSHS approximately 22% of Adult Mental Health Outpatient Services is covered with local matches, therefore using this estimate the cost to implement the provisions in the bill would be \$19,578,397 a fiscal year for LMHAs.

Limestone County anticipates significant costs associated with the bill.

**Source Agencies:** 537 State Health Services, Department of

**LBB Staff:** JOB, CL, MB, JF, KKR