

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

May 2, 2007

TO: Honorable Jane Nelson, Chair, Senate Committee on Health & Human Services

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

IN RE: SB1503 by Zaffirini (Relating to behavioral health services for children and establishment of the Children's Behavioral Health Council.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB 1503, As Introduced: a negative impact of (\$400,000) through the biennium ending August 31, 2009.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

| Fiscal Year | Probable Net Positive/(Negative) Impact to General Revenue Related Funds |
|-------------|--|
| 2008 | (\$200,000) |
| 2009 | (\$200,000) |
| 2010 | (\$200,000) |
| 2011 | (\$200,000) |
| 2012 | (\$200,000) |

All Funds, Five-Year Impact:

| Fiscal Year | Probable Savings/(Cost) from <i>GENERAL REVENUE FUND</i> 1 | Change in Number of State Employees from FY 2007 |
|-------------|--|---|
| 2008 | (\$200,000) | 3.0 |
| 2009 | (\$200,000) | 3.0 |
| 2010 | (\$200,000) | 3.0 |
| 2011 | (\$200,000) | 3.0 |
| 2012 | (\$200,000) | 3.0 |

Fiscal Analysis

This bill would implement recommendations 1 through 4 of the *LBB Government Effectiveness and Efficiency Report* entitled "Create a Coordinated State Infrastructure to Support Children's Behavioral Health Services."

This bill would amend the Government Code related to behavioral health services for children. The bill provides that a Children's Behavioral Health Council (council), administratively attached to the Health and Human Services Commission (HHSC), is established to provide a coordinated, comprehensive, interagency approach to the development and delivery of behavioral health services to children. The council is composed of one representative from nine identified state agencies. The council is required to engage in specific activities related to children's behavioral health services.

The bill requires HHSC to establish the Children's Behavioral Health Advisory Committee, composed of representatives from advocacy groups and organizations with expertise in behavioral health issues involving children, and from other family advocates, to assist the council in its duties.

The bill requires the council to design an integrated cross-agency funding structure for the provision of behavioral health services to children, authorizes the council to hire a consultant to assist with designing the funding structure, and requires the council to submit a report on the designed funding structure to the governor and the Legislative Budget Board no later than June 1, 2008.

The bill requires HHSC to maximize funding for home and community-based services for children with severe emotional disturbances by providing those services, to the greatest extent possible, through a Section 1915(c) waiver program or other Medicaid program. HHSC is required to identify each service it anticipates could be delivered cost-effectively through a Section 1915 (c) waiver program or other Medicaid program using existing resources and to seek federal approval as needed no later than September 1, 2008.

The bill amends current statute to align with the new requirements. The bill repeals Section 531.421 (3), Government Code, relating to the definition of the "consortium" that oversees the Texas Integrated Funding Initiative. The council is required to develop criteria for and implement the expansion of the Texas Integrated Funding Initiative pilot project and develop local mental health care systems rather than the consortium. HHSC and the council, rather than HHSC and the consortium, are required to engage in activities related to the Texas Integrated Funding Initiative pilot project.

This bill would take effect September 1, 2007.

Methodology

Creating a coordinated state infrastructure to support local systems of care for children's behavioral health services has the potential to increase the efficient use of existing funds, reduce fragmentation, improve access to and availability of cost-effective community-based services, and reduce long-term spending on institutional care.

It is assumed there would be costs associated with establishment and operation of a Children's Behavioral Health Council and Advisory Committee. Costs include \$150,000 for salary and benefits for 3.0 FTEs and \$50,000 to support the statutorily-required activities of the Council in fiscal years 2008 through 2012.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 529 Health and Human Services Commission, 537 State Health Services, Department of
LBB Staff: JOB, CL, JI, DM