

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

May 18, 2009

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

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

IN RE: SB1648 by Van de Putte (Relating to providing outreach services, behavioral health services, and certain health care services related to mental health to certain members and veterans of the armed forces and their families and providing for the creation of related clinical practice guidelines.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for SB1648, As Engrossed: a negative impact of (\$3,094,530) through the biennium ending August 31, 2011.

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
2010	(\$1,921,411)
2011	(\$1,173,119)
2012	(\$1,115,671)
2013	(\$1,117,591)
2014	(\$1,119,575)

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from General Revenue Fund 1	Probable (Cost) from Appropriated Receipts 666	Probable Revenue Gain from Appropriated Receipts 666	Change in Number of State Employees from FY 2009
2010	(\$1,921,411)	(\$8,410,647)	\$8,410,647	12.8
2011	(\$1,173,119)	(\$16,929,017)	\$16,929,017	17.0
2012	(\$1,115,671)	(\$11,695,327)	\$11,695,327	16.0
2013	(\$1,117,591)	(\$11,695,327)	\$11,695,327	16.0
2014	(\$1,119,575)	(\$11,695,327)	\$11,695,327	16.0

Fiscal Analysis

Section 2: The bill would require the Department of State Health Services (DSHS) to establish a program to promote the wellness of servicemembers and their families through the development, maintenance, and dissemination of clinical practice guidelines for the effective treatment of psychological trauma and the reintegration of servicemembers into their communities, families, and workplaces, with emphasis on the trauma of war, including post-traumatic stress disorder (PTSD), traumatic brain injury (TBI), and sexual trauma that occurs in military settings.

The bill would require DSHS to make the clinical practice guidelines available to providers of

physical and behavioral health services. The bill would require DSHS to provide the clinical practice guidelines to the appropriate professional associations to be used in continuing education, and, to the extent feasible, enter into agreements or take other action to promote the use of the materials for continuing education purposes. The bill would require DSHS, or its designees, to provide training and continuing education to clinicians and to recognize, through certificates or other means, the health care providers that have demonstrated knowledge and mastery of the clinical practice guidelines and other materials developed by DSHS for the program.

The bill would require DSHS to develop, with advice from and in consultation with the Texas Veterans Commission (TVC), training and educational materials for the use of the TVC, veterans county service officers, and other service providers.

The bill would require DSHS to provide, in consultation with the United States Department of Veterans Affairs (USDVA), the Texas military forces, The Texas Information and Referral Network (TIRN), the TVC, and the General Land Office (GLO), service coordination for servicemembers and their families in all geographic regions of the state to connect them to behavioral health services that may be available through the USDVA or under the provisions of the bill.

The bill would require DSHS to provide, in geographic areas in which services are not yet available or accessible through USDVA, service coordination for veterans to connect them to behavioral health services that may be available through community mental health centers or other community resources with which DSHS contracts until federal services are available. The bill would require DSHS to provide servicemembers and their families information about behavioral health services and resources through specified means.

The bill would require DSHS to establish a program to provide behavioral health services for eligible servicemembers, as delineated by the bill. The bill would authorize the behavioral health services provided to include crisis services, in all geographic regions of the state, and behavioral health services in areas in which existing federal and state services are determined by DSHS to be inadequate or inaccessible. The bill would require that behavioral health services be provided, to the greatest extent possible, in a peer-based treatment environment, that the services may include screening; therapy; and substance abuse early intervention, detoxification, and medication-assisted treatment, and that the provision of services must be based on medical necessity criteria established by DSHS rule. The bill would require DSHS to seek reimbursement for the cost of services provided under the bill from USDVA and other government agencies that may provide behavioral health services or payments for such. The bill would authorize a family member of an enrolled servicemember to receive behavioral health services under the program.

The bill would prohibit the legislature from appropriating money from the General Revenue fund to pay for the cost of the services provided under the bill. The bill would authorize services to be funded by gifts, grants, or federal and private reimbursement payments. The bill would require the Comptroller of Public Accounts (CPA), in consultation with DSHS and not later than December 1 of each odd-numbered year, to estimate the amounts available from federal and private sources for the provision of services as provided by the bill. The bill would require the CPA to report the estimate to the governor and the Legislative Budget Board, and require the report to include recommendations and certain information.

The bill would require DSHS to provide to servicemembers and their families information, through a public outreach program, about accessing services through the TIRN and through other organizations participating in memoranda of understanding maintained by the Texas military forces. The bill would require that the outreach effort be conducted on a statewide basis, conducted through contract or contracts with community-based organizations with experience in statewide outreach to the military, and staffed by individuals with demonstrated experience in working with the military and military service organizations. The bill would require that outreach methods include direct personal contacts with military servicemembers and veterans, outreach using communications media and printed material, and the maintenance or support by DSHS of an existing interactive internet-based resource program that meets certain criteria.

Section 3: The bill would require the adjutant general to require each member of the Texas National

Guard who served during Operation Enduring Freedom or Operation Iraqi Freedom to be screened for traumatic brain injury, and require the adjutant general to assist those who test positive in obtaining appropriate medical care.

Section 4-5: The bill would add the establishment of eligibility for health care services and treatments from the federal Veterans Health Administration and DSHS to the assistance the TVC is required to provide to veterans and their families and dependents. The bill would require TVC to enter into a memorandum of understanding with DSHS to develop training materials for veterans county service officers and veterans service organizations that promote the understanding and effective treatment of trauma affecting behavioral health and other health-related information that promotes reintegration. The bill would require TVC to disseminate training and educational materials, enter into contract or other agreement for the development of training and educational materials, reimburse DSHS for costs of preparing the materials, and enter into relationships with established training programs for the purpose of providing peer support training and certification for veterans county service officers. The bill would require that claims assistance services be provided for establishing eligibility for health care services and treatments from the federal Veterans Health Administration.

Section 6: The bill would require DSHS to conduct an immediate analysis of the behavioral health needs of servicemembers and their families and submit a preliminary report of its findings and recommendations to the legislature and the governor on or before December 1, 2009, and a final report of its findings and recommendations on or before December 1, 2010.

Methodology

DSHS estimates a one-time cost of \$0.5 million in fiscal year 2010 for the establishment of a 24-hour toll-free hotline for outreach, and an annual cost of \$0.1 million for each subsequent year. The agency estimates an additional one-time cost of \$0.5 million for integrating training relating to treatment protocols for PTSD into the existing resiliency disease management mental health service delivery model used by DSHS.

The adjutant general assumes no cost for screening and related assistance because screening is currently required at demobilization.

DSHS estimates that 16 full-time-equivalent positions (FTEs) would be necessary for administration of the program in fiscal years 2010 and 2011; 15 FTEs are assumed in fiscal years 2012 and beyond. TVC estimates that one FTE would be required for the duties of coordination and consulting with DSHS on training and educational materials. The total estimated staffing costs are \$0.9 million in fiscal year 2010, \$1.1 million in fiscal year 2011, and \$1.0 million in fiscal year 2012 and subsequent years.

Staffing, outreach, and training costs are assumed to be funded with General Revenue.

DSHS assumes that the bill prohibits the use of General Revenue to fund behavioral health services as required by the bill, and notes that without identified alternate sources of funding the provisions relating to those services would not be implemented. The cost of the provision of those services as described below is assumed to be funded out of Appropriated Receipts. If funds are not identified and collected for the provision of services, it is assumed that no services would be provided.

It is assumed that it would take six months to develop and implement the program and that client services would be provided beginning in March 2010. DSHS assumes that they will enter into contracts with local mental health authorities (LMHAs) to provide services required by the bill. DSHS estimates that one peer-to-peer service coordinator would be needed at each of the 37 LMHAs and NorthSTAR for the provision of peer-to-peer counseling at an annual cost of \$2.4 million.

DSHS estimates that there are 230,000 veterans in Texas who have been on active duty since September 2001 and that 10 percent, or 23,000, would meet the eligibility criteria set forth in the bill. Based on a RAND Corporation study, *Invisible Wounds of War*, the agency estimates that the prevalence rate of mental health conditions (PTSD or depression) among returning servicemembers is 18.5 percent, corresponding to an estimated 4,255 individuals eligible for the program in Texas. DSHS

estimates 10 percent, or 2,300, of the 23,000 servicemembers meeting the eligibility criteria would also require substance abuse services. These estimates do not include any servicemembers potentially eligible who may have served prior to September 2001 and who would meet the eligibility requirements set forth in the bill. It is assumed that the most likely candidates for participation are those servicemembers serving during Operation Enduring Freedom or Operation Iraqi Freedom; serving additional servicemembers would increase the estimated cost of the bill.

The agency estimates that the average cost to serve an adult mental health patient in an LMHA is \$415 per month with an additional monthly cost of \$52.05 for medications. An average length of service of six months is assumed. It is assumed that the 4,255 servicemembers meeting the criteria would be phased into the program over its first 12 months (355 clients entering per month) and that an additional 177 clients would present each month thereafter as more servicemembers return to Texas or present with symptoms. The total estimated cost to provide services to these clients is \$3.4 million in fiscal year 2010, \$10.0 million in fiscal year 2011, and \$5.8 million in fiscal year 2012 and subsequent years.

The agency estimates that approximately 50 percent or 2,217 servicemembers would have family members that are eligible and likely to request services available to them through the program. The agency estimates 11 sessions per family at the standard rate for family therapy of \$60.14 per session. The resulting cost for family services offered through the program is estimated to be \$0.7 million in fiscal year 2010 and \$1.4 million in fiscal year 2011 and subsequent years.

The agency estimates that the average cost to provide substance abuse services is \$875.10. An average length of service of two months is assumed. It is assumed that the 2,300 servicemembers meeting the criteria would be phased into the program over its first 12 months (192 clients entering per month) and that an additional 96 clients would present each month thereafter as more servicemembers return to Texas or present with symptoms. The total estimated cost to provide services to these clients is \$1.8 million in fiscal year 2010, \$3.1 million in fiscal year 2011, and \$2.0 million in fiscal year 2012 and subsequent years.

The bill would extend behavioral health services to family members of enrolled servicemembers. It is not known how many family members would seek services or what behavioral health services would be made available, but this provision would likely result in significant additional cost. Because they cannot be estimated, these costs are not reflected in this estimate.

The total cost of the bill is estimated to be \$10.3 million in All Funds, including \$1.9 million in General Revenue, in fiscal year 2010; \$18.1 million in All Funds, including \$1.2 million in General Revenue, in fiscal year 2011; and \$12.8 million in All Funds, including \$1.1 million in General Revenue, in fiscal year 2012 and beyond.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 537 State Health Services, Department of, 403 Veterans Commission, 529 Health and Human Services Commission, 305 General Land Office and Veterans' Land Board

LBB Staff: JOB, CL, LR, JJ