

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

April 24, 2013

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB205** by McClendon (Relating to the allocation of outpatient mental health services and beds in certain mental health facilities and the commitment of certain persons to receive mental health services.), **Committee Report 1st House, Substituted**

The probable fiscal impact of implementing the bill cannot be determined at this time due to the lack of information regarding the state outpatient mental health services and hospital bed allocation plan.

The bill would amend the Health and Safety Code relating to the allocation of outpatient mental health services and beds in certain mental health facilities and the commitment of certain persons to receive mental health services.

Under the provisions of the bill, the Department of State Health Services (DSHS) would be required to plan separately for the allocation of beds for civil and forensic patients in the state hospitals. Additionally, the bill creates an advisory panel consisting of 15 persons from a designated list of organizations to assist with developing the plan and requires DSHS to meet with the panel at least monthly. The bill requires DSHS to update the plan biennially. The bill would require DSHS to begin implementing the plan no later than August 31, 2014. DSHS would be required to submit a report providing an update on the plan to the legislature and the governor by December 1, 2014. The bill would require that DSHS contract with and use a broad base of local community outpatient mental health services providers and inpatient mental health facilities to make available a sufficient and appropriately located amount of outpatient mental health services and a sufficient and appropriately located number of beds as specified in the plan developed by DSHS. Additionally, the bill would require that DSHS develop and implement a procedure through which a court that has the authority to commit patients in the hospital system is aware of all of the commitment options for the person, including jail diversion and community-based programs.

The Health and Human Services Commission is required to adopt rules to implement the provisions of the bill by May 1, 2014. The bill would take effect immediately if a two-thirds majority vote in both houses of the Legislature is received. Otherwise, the bill would take effect on September 1, 2013.

The bill may have a negative fiscal impact if the state hospital allocation plan requires additional beds or the plan requires additional outpatient mental health services. Whether the bill would result in a significant amount of cost to the State cannot be determined since the plan has not yet been developed. For example, if the plan included guidelines to increase the current average number of psychiatric beds (11 per 100,000 state residents) to the national average (14 per

100,000 state residents), the estimated annual costs would be \$137.5 million in General Revenue.

It is assumed that HHSC can absorb any costs associated with rule-making within the existing agency budget.

Local Government Impact

According to the Texas Association of Counties, a survey of 75 counties showed estimated statewide savings of \$4.5 million per year associated with inmates with serious mental illnesses. This represents 90 inmates: 44 for maximum security and 46 for non-maximum-security. This survey, however, is not exhaustive and fiscal impact to counties (as for the state) would depend on how hospital beds would be allocated under the provisions of the bill.

The bill would also provide for outpatient mental health services that could further reduce the number of inmates with mental illnesses being housed in county jails.

Source Agencies: 537 State Health Services, Department of

LBB Staff: UP, CL, CH, SD, LR, NB, KKR