

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

April 23, 2013

TO: Honorable Richard Peña Raymond, Chair, House Committee on Human Services

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB1143 by Strama (Relating to certain mental health and medical services for children in foster care and the conservatorship of the state, including the administration of psychotropic drugs.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1143, As Introduced: a negative impact of (\$2,267,073) through the biennium ending August 31, 2015.

In addition to these cost there is an indeterminate impact related to prior authorization for psychotropic drugs for foster children.

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
2014	(\$1,102,683)
2015	(\$1,164,390)
2016	(\$1,137,966)
2017	(\$1,137,966)
2018	(\$1,137,966)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>General Revenue Fund</i> 1	Probable Savings/(Cost) from <i>GR Match For Medicaid</i> 758	Probable Savings/(Cost) from <i>Federal Funds</i> 555
2014	(\$1,090,153)	(\$12,530)	(\$150,366)
2015	(\$1,151,158)	(\$13,232)	(\$158,780)
2016	(\$1,125,035)	(\$12,931)	(\$155,177)
2017	(\$1,125,035)	(\$12,931)	(\$155,177)
2018	(\$1,125,035)	(\$12,931)	(\$155,177)

Fiscal Year	Change in Number of State Employees from FY 2013
2014	22.0
2015	26.0
2016	26.0
2017	26.0
2018	26.0

Fiscal Analysis

The bill would amend the Family Code and the Government Code as they relate to certain mental health and medical services for children in foster care and the conservatorship of the state, including the administration of psychotropic drugs.

The bill would require the Department of Family and Protective Services (DFPS) to notify a foster child's parents within 24 hours of a diagnosis of a mental illness or the prescription of a psychotropic drug for their child.

The bill would require DFPS and the Health and Human Services Commission (HHSC) to develop a form to report the prescription of a psychotropic drug to a foster child and include prescribed components. A foster child's physicians would be required to use the form to report the prescription of a psychotropic drug to a foster child or to change the dosage of a psychotropic drug prescribed for a child and to update the child's medical report as appropriate in order to document the child's progress in reaching the child's treatment goals. The medical report must include certain information and the physician and child's consentor must sign the completed report and include it in the child's health passport.

DFPS would be required to review the use of psychotropic drugs in the treatment of foster children and provide a report not later than December 1 of each even-numbered year to certain parties.

The bill would require HHSC to add children eligible for both Medicaid and Medicare and under the supervision of DFPS through an agreement under the Interstate Compact on the Placement of Children to the monitoring of the prescribing of psychotropic drugs.

Section 266.012, Family Code would take effect February 1, 2014. Except for Section 266.012, Family Code, the bill would take effect September 1, 2013.

Methodology

In order for a Behavioral Health provider to review and sign the medical report for prescription of psychotropic drugs required by the provisions of the bill, it is assumed that the Behavioral Health provider, medical consentor, and child would all have to be present in a face-to-face health care visit.

DFPS assumes that 75 percent of caseworkers are unable to do face-to-face appointments and instead participate via phone and/or teleconferencing, that child protective services (CPS) caseworkers serve as medical consentors for 2,000 children, and that on average, each child prescribed psychotropic medication has an estimated 5 visits per year to ensure proper medication

is prescribed. That equates to an additional 625 additional visits per month ((2,000 children X 5 visits X 75%) / 12 months). It is assumed that an additional 11 human service technicians would be trained as medical consenters and needed in fiscal year 2014 and 13 in each fiscal year going forward for these face-to-face visits. The estimated cost for these FTEs is \$604,479 in fiscal year 2014, \$661,579 in fiscal year 2015, and \$646,566 in fiscal year 2016 and forward in All Funds. Presumably not all 2,000 children would be prescribed psychotropic drugs; therefore, costs associated with this provision of the bill could be less.

DFPS also reported that 19,995 children were diagnosed with one of the three most common behavioral health diagnoses in fiscal year 2012 and of those, 15,252 children took one or more psychotropic medications. For children taking psychotropic medications, DFPS estimated that it would need to notify parents at least 5 times per year and 1 time per year for those children with a mental health diagnosis and no psychotropic medication, at 30 minutes per notification totaling 40,502 ((15,252 X 5 X 0.5) + (19,995-15,252 X .5)) notification hours, or 3,375 hours each month (40,502 / 12). It is assumed that an additional 11 human service technicians would be needed in fiscal year 2014 and 13 in each fiscal year going forward in order to provide 24-hour notice of a mental health diagnosis or psychotropic medications at a cost of \$604,479 in fiscal year 2014, \$661,579 in fiscal year 2015, and \$646,566 in fiscal year 2016 and forward in All Funds.

DFPS also estimates that there would be a cost to modify the Information Management Protecting Adults and Children in Texas (IMPACT) system, which is the agency's automated casework system so that data can be provided to HHSC. The agency's estimated cost for this system change is \$44,081 (430 hours X \$102.51 per hour) in All Funds for fiscal year 2014.

The total cost associated with the provisions of the bill for DFPS would be \$1,253,050 in fiscal year 2014, \$1,323,170 in fiscal year 2015, and \$1,293,144 in fiscal year 2016 and forward in All Funds.

DFPS does not anticipate any significant fiscal impacts as a result of complying with the other sections of the bill.

According to HHSC, the fiscal impact of requiring prior authorization before a psychotropic drug prescribed for a foster child may be dispensed cannot be determined. There would be an increased administrative duty for the managed care organization (MCO), which would likely result in increased capitation payments to the MCO.

Technology

DFPS indicates that additional devices and software and changes to IMPACT, at a cost of \$55,009 in fiscal year 2014 in All Funds and \$12,915 each fiscal year thereafter, would be required. These costs are included above.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 529 Health and Human Services Commission, 530 Family and Protective Services, Department of

LBB Staff: UP, CL, MB, SJ, VJC