

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

April 16, 2013

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB2625 by Coleman (Relating to disease management practices of local mental health authorities.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2625, As Introduced: a negative impact of (\$16,719,687) through the biennium ending August 31, 2015 associated with screening and assessment of the additional population. There would be an additional but indeterminate cost associated with treatment services.

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	(\$6,719,675)
2015	(\$10,000,012)
2016	(\$10,000,012)
2017	(\$10,000,012)
2018	(\$10,000,012)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund
	1
2014	(\$6,719,675)
2015	(\$10,000,012)
2016	(\$10,000,012)
2017	(\$10,000,012)
2018	(\$10,000,012)

Fiscal Analysis

The bill would amend the Health and Safety Code relating to disease management practices of local mental health authorities (LMHAs). The bill would require LMHAs to provide assessment

services, crisis services, and intensive and comprehensive services using disease management practices for an expanded list of disorders and to ensure that adults and children could receive services. The bill would take effect on January 1, 2014.

Methodology

Based on the analysis provided by the Department of State Health Services (DSHS), this estimate does not include the potential cost of the additional services related to pervasive developmental disorder, which is not a mental health disorder. As the LMHAs and mental health providers are not equipped to address the needs of individuals with development disorders, the cost related to services or assessment for persons with pervasive developmental disorder served by the LMHAs is not included in this analysis.

In fiscal year 2012, 83,323 clients were provided screening and assessment through the LMHAs. It is assumed that 64% of that amount, or 53,476 additional individuals, will be provided screening and assessment through the LMHAs due to the expanded list of disorders. The average cost for assessment and screening is \$187 per year and the annual cost of expanded screening and assessment is estimated to be \$6.6 million in General Revenue in fiscal year 2014 and \$10 million in General Revenue in each subsequent fiscal year. Health and Safety Code Section 533.001 requires DSHS to provide services first to those persons who are in the priority population, defined in the DSHS strategic plan as adults with schizophrenia, bipolar disorder, or major depressive disorder who have a significant functional impairment. It also includes children 3-17 years of age with a diagnosis of mental illness and who have certain other factors. Due to the prioritization of these groups, it is assumed that additional state costs would be incurred to ensure that this expanded population receives services. Due to a lack of information on not only the nature of treatment for disorders on the expanded list but also the age groups to whom services would be provided, this treatment cost is indeterminate but likely significant.

The average monthly cost for an adult to receive treatment services through the LMHA is \$370 and the average monthly cost for a child is \$425. Similar programs at the Department of Assistive and Rehabilitative Services related to disorders on the autism spectrum similar to the pervasive development disorder have an average monthly cost of \$2,165. The treatment services are not included in this fiscal analysis.

DSHS estimates that updating information technology systems related to the bill will cost \$53,000 in fiscal year 2014.

Technology

DSHS estimates that updating information technology systems related to the bill will cost \$53,000 in fiscal year 2014.

Local Government Impact

Local Mental Health Authorities are required to provide matching funds to those provided by the state. The source of matching funds may include counties, hospital districts, cities and school districts. The Texas Council of Community Centers reported that these costs would vary by locality and would range from six to twelve percent in required matching funds; however, costs to local governments would not be significant.

Source Agencies: 537 State Health Services, Department of
LBB Staff: UP, CL, MB, CH, NB, KKR