

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

April 9, 2013

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB3684 by Naishtat (Relating to the Texas System of Care and the development of local mental health systems of care for certain children.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3684, As Introduced: a negative impact of (\$1,442,152) through the biennium ending August 31, 2015.

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	(\$689,494)
2015	(\$752,658)
2016	(\$752,658)
2017	(\$752,658)
2018	(\$752,658)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund	Change in Number of State Employees from FY 2013
	1	
2014	(\$689,494)	2.6
2015	(\$752,658)	3.5
2016	(\$752,658)	3.5
2017	(\$752,658)	3.5
2018	(\$752,658)	3.5

Fiscal Analysis

The bill would modify Chapter 531, Government Code, relating to the Texas System of Care and the development of local mental health systems of care for certain children. The bill would broaden the scope of the Texas Integrated Funding Initiative, which would be referred to as the

Texas Systems of Care. The bill would authorize the Health and Human Services Commission (HHSC) to form a consortium to provide oversight of a state system of care to develop local mental health systems of care for minors receiving residential mental health services, inpatient mental health hospitalization, or who are at risk of being removed from their home due to the need for mental health treatment. The consortium would have representatives from the Department of State Health Services (DSHS), the Department of Family and Protective Services (DFPS), HHSC's Medicaid program, Texas Education Agency (TEA), Texas Juvenile Justice Department, and the Texas Correctional Office on Offenders with Medical or Mental Impairments, as well as representatives from the community who have received mental health services or family members of someone who has received mental health services. The consortium would be required to maintain a comprehensive plan for the delivery of mental health services and supports to a minor and a minor's family. The consortium would be required to provide a biennial report to the legislature and the Council on Children and Families that contains an evaluation of the Texas System of Care.

The Commission would be required to establish a request for proposal process to select communities to implement a local system of care. HHSC and DSHS would be charged with jointly monitoring the progress of the grant communities and HHSC would be authorized to provide technical assistance for the grant projects.

Methodology

DSHS indicates it would require one additional full-time equivalent (FTE) to implement the provisions of the bill by participating in the consortium. It is assumed this FTE would also be responsible for monitoring the progress of the grant communities. This FTE would be hired in the second quarter of fiscal year 2014. It is assumed that the salary, benefits and other FTE-related costs can be absorbed by DSHS.

HHSC indicates they would need 3.5 additional FTEs to implement the provisions of the bill. It is assumed the FTEs would be hired in the second quarter of fiscal year 2014. Costs associated with the FTEs total \$189,494 in fiscal year 2014 and \$252,658 in fiscal years 2015-2018. Funding for the RFP is assumed to total \$500,000 per fiscal year, based on experience with a 2001 pilot on integrated funding. HHSC also indicates there may be a cost savings due to decreased utilization of Medicaid programs, but that the cost savings cannot be determined at this time.

The Department of Family and Protective Services, the Texas Juvenile Justice Department, and the Texas Education Agency indicate the provisions of the bill can be implemented within existing resources.

Local Government Impact

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

Source Agencies: 530 Family and Protective Services, Department of, 529 Health and Human Services Commission, 537 State Health Services, Department of, 644 Texas Juvenile Justice Department, 701 Central Education Agency

LBB Staff: UP, CL, MB, ES, VJC, NB, KKR, CH