

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION**

**May 23, 2013**

**TO:** Honorable Joe Straus, Speaker of the House, House of Representatives

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB3793** by Coleman (Relating to powers, duties, and services of entities serving counties.), **As Passed 2nd House**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB3793, As Passed 2nd House: a negative impact of (\$5,119,645) through the biennium ending August 31, 2015.

There are provisions in the bill, particularly in Amendment 3, that could have a significant cost, but the amounts cannot be determined and are not reflected in the negative impact above.

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:**

<b>Fiscal Year</b>	<b>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</b>
2014	(\$2,363,204)
2015	(\$2,756,441)
2016	(\$2,756,441)
2017	(\$2,756,441)
2018	(\$2,756,441)

**All Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable Savings/(Cost) from General Revenue Fund 1</b>
2014	(\$2,363,204)
2015	(\$2,756,441)
2016	(\$2,756,441)
2017	(\$2,756,441)
2018	(\$2,756,441)

## **Fiscal Analysis**

The bill would amend the Health and Safety Code, relating to powers, duties, and services of entities serving counties. Amendment 1 and 2 would create a new hospital district in Hidalgo County.

Amendment 3 would require local mental health authorities (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 and would require the Department of State Health Services (DSHS) to ensure that the LMHAs incorporate jail diversion strategies using disease management practices for an expanded list of disorders. The effective date would be January 1, 2014.

Amendment 4 would authorize a county to credit up to four percent of the county's general levy on intergovernmental transfer (IGTs) to the state toward eligibility for state assistance if the transfer was to provide health care services as part of a specified waiver program as defined by the provisions of the bill. Currently, state assistance funds under Section 61.037 direct the Department of State Health Services (DSHS) to distribute funds to counties that provide services under Sections 61.028 and 61.0285 to eligible county residents who qualify for assistance. The bill would limit the county's maximum liability for indigent healthcare for eligible residents to eight percent of the county's general levy. The funds are limited to specific services for a specific eligible population whose income is under 50 percent of the federal poverty level.

Amendment 5 would require DSHS to develop a state hospital plan 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 17 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 at a minimum biennially. DSHS would be required to develop the plan by June 1, 2014. 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 last amendment would allow employees of the Local Mental Health Authorities (LMHA), which includes the local behavioral health authority for the NorthSTAR Behavioral Health Program, to be trained on mental health first aid and to serve as trainers for educators. Under the provisions of the bill, if funds are appropriated, the Department of State Health Services (DSHS) shall make grants to an LMHA and NorthSTAR in an amount equal to \$1,000 for each employee or contractor of the LMHA or NorthSTAR whose training as mental health first aid trainers will be paid with the grant. The bill allows LMHAs and NorthSTAR to collaborate together and share resources to provide training. Under the provisions of the bill, DSHS shall establish grants not to exceed the lesser of \$40,000 or three percent of the funds appropriated for this purpose to be provided to LMHAs and NorthSTAR at a rate of \$100 for each educator who successfully completes the training program. The bill requires the LMHAs and NorthSTAR to submit a plan to DSHS for mental health first aid training programs no later than October 1 of each fiscal year. The bill requires the LMHAs and NorthSTAR to provide annually a list of LMHA or NorthSTAR employees trained and a list of educators trained by the LMHA or NorthSTAR. The bill requires DSHS to provide this information in a report to the legislature. The bill requires the State Board of Educator Certification to adopt rules to allow an educator to fulfill up to twelve hours of continuing education by participating in the mental health training program created by the bill.

Unless otherwise specified, 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.

## **Methodology**

DSHS indicates that implementation of Amendments 1, 2, 4, and 5 could be absorbed within existing resources.

The fiscal impact of Amendment 3 cannot be determined at this time due to the lack of information regarding the demand for and cost of the expanded treatment services for the additional covered disorders; however, the cost is likely significant. 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. Due to the current prioritization of these groups, it is assumed that additional state costs would be incurred to ensure that the expanded population identified in the bill receives services. Due to a lack of information on the demand for treatment for disorders on the expanded list, this treatment cost is indeterminate but likely significant and a cost to the state.

It is assumed that the cost to provide the grants for the mental health training would be \$30,000 per year for each of the 37 LMHAs and Northstar (38 in all). Additionally, it is assumed that DSHS would be required to provide \$100 per educator trained, to be limited at \$40,000 per year to each of the 37 LMHAs and NorthSTAR to provide training to the educators. It is assumed that the training of the educators will begin during the second quarter of fiscal year 2014. The cost of the grants would be \$2,280,000 in fiscal year 2014 and \$2,660,000 in fiscal year 2015 and each year thereafter. It is assumed for both training programs that there will be high turnover and a refresher requirement every two or three years, therefore the funding need would be level from fiscal year 2015 through fiscal year 2018. Should actual training costs be less, the cost of implementing the provisions of the bill would be less in each year. DSHS anticipates the agency cost to administer the grants would require one FTE at a total cost of \$83,204 in fiscal year 2014 and \$96,441 in fiscal year 2015. The agency can absorb the additional FTE authority within its existing FTE cap. The bill has no direct fiscal implications for the Foundation School Program (FSP) or the operations of the Texas Education Agency (TEA).

## **Local Government Impact**

The Texas Council of Community Centers was unable to estimate costs to units of local government associated with implementing the provisions of Amendment 3.

Amendment 4 would require local governmental entities that have IGTs would not have to use application, documentation, and verification procedures, or eligibility standards to be eligible for state assistance; therefore, no significant fiscal impact is anticipated. In addition, there could be costs to counties that do not provide IGTs and would be required to go by application processes and eligibility standards to credit their expenditures for state assistance.

Amendment 5 would require DSHS to develop a plan for the allocation of outpatient mental health services and beds in state hospitals. According to the Texas Association of Counties, no significant fiscal impact to counties is anticipated. There is the potential for cost savings to those counties that choose to implement the plan that is developed. However, the extent of those potential savings cannot be estimated at this time.

School districts could experience some administrative costs if educators took part in mental health

first aid training during normal classroom time if the districts were required to hire substitute teachers. These costs would be dependent on when the training program was offered and the number of staff that participates in the training; however, no significant fiscal impact is anticipated with implementing the provisions of the last amendment.

**Source Agencies:** 529 Health and Human Services Commission, 537 State Health Services,  
Department of

**LBB Staff:** UP, KKR, MB, CH, NB, TP