

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 2037-02  
Bill No.: SCS for SB 685  
Subject: Children and Minors; Family Services Division; Health Care; Medicaid; Mental Health; Mental Health Dept.; Social Services Dept.  
Type: Original  
Date: April 7, 2003

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**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006</b>
General Revenue	(Unknown exceeding \$200,000)	(Unknown exceeding \$200,000)	(Unknown exceeding \$200,000)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>(Unknown exceeding \$200,000)</b>	<b>(Unknown exceeding \$200,000)</b>	<b>(Unknown exceeding \$200,000)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006</b>
<b>Total Estimated Net Effect on Other State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 8 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Federal Funds	\$0	\$0	\$0
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

\* Revenue and expenditures expected to exceed \$100,000 annually and net to \$0.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Department of Elementary and Secondary Education, Missouri Consolidated Health Care Plan, Department of Insurance, Office of State Courts Administrator, Department of Health and Senior Services and Department of Transportation** assume the proposal will have no fiscal impact on their organizations.

Officials from the **Missouri Department of Conservation (MDC)** state the proposal would not appear to have a fiscal impact on MDC funds.

Officials from the **Department of Public Safety - Missouri Highway Patrol (MHP)** defer to the Department of Transportation for response regarding the fiscal impact of the proposal on the MHP.

Officials from the **Office of the Secretary of State (SOS)** state this proposal establishes a comprehensive children's mental health services system. The Department of Mental Health could promulgate rules to enact this legislation. Based on experience with other divisions, the rules, ASSUMPTION (continued)

regulations and forms issued by the Department of Mental Health, this proposal could require as many as 14 pages in the *Code of State Regulations*. For any given rule, roughly one-half again as many pages are published in the *Missouri Register* as are published in the Code because cost statements, fiscal notes and notices are not published in the Code. The estimated cost of a page in the *Missouri Register* is \$23.00. The estimated cost of a page in the *Code of State Regulations* is \$27.00. The actual costs could be more or less than the numbers given. The fiscal impact of this legislation in future years is unknown and depends upon the frequency and length of rules filed, amended, rescinded and withdrawn. The SOS estimates the cost of this legislation to be \$861 [(14 pp x \$27) + (21 pp x \$23)].

**Oversight** assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

Officials from the **Department of Mental Health (DMH)** state the fiscal impact to the Department of Mental Health is unknown. The system of children's care to be established should have no fiscal impact on the Department since such a system is currently in operation in the department and is subject to appropriations. Any additional services which would result from collaboration with other state agencies would result in continued requests for increased appropriations, but such expansion of services would be subject to appropriation of funding.

However, Section 208.152.1(19)(b) requires the Department of Mental Health, in collaboration with the Division of Medical Services, to establish by rule the definition and criteria for designation of a community-based service. Services to be made available and easily accessible are listed. Section 208.204 requires the Department of Social Services to conduct research into all of their custody cases to determine which children are in the system exclusively for mental health services and where there is no instance of abuse, neglect, or abandonment. Such identified children may be returned to their families by the judge. The Department of Mental Health is given the responsibility for providing necessary services for such children in the least restrictive appropriate environment, treatment and support, based on individualized treatment plans. In those cases where the child is returned to their family and fall under the service responsibility of the Department of Mental Health, the appropriate funds are to be transferred from the Department of Social Services to the Department of Mental Health for provision of care for these children. Section 630.097 requires the Department of Mental Health to develop, implement and administer a unified accountable comprehensive children's mental health service system. Provisions of such a system are listed in the section. Section 211.181.1(6) requires the Division of Family Services to apply for such federal waivers as required to provide services for such children.

ASSUMPTION (continued)

There will be costs associated with this proposal but such costs cannot be determined until the Department of Social Services completes the research required under section 208.204.2 and determines the number of children eligible for services under this proposal and the level of services and associated costs required by those children. Additionally, there may be a difference in actual service costs and those costs as reimbursed by the federal government. Additionally, the proposal is not clear if the appropriate funding to be transferred to the Department of Mental Health will include both General Revenue as well as Federal funds. Further, until the extent of any Medicaid options in the form of new waivers is identified, it is not possible to determine the Federal versus the General Revenue burden of this proposal. Average costs for services potentially included under this bill are:

CPR (Community Psychiatric Rehabilitation) Medicaid \$1,561 per client per year (Federal & G.R.)  
CPR (Community Psychiatric Rehabilitation) Purchase of Service \$658 per client per year (G.R.)  
Targeted Case Management Medicaid \$1,602 per client per year (Federal & G.R.)  
Targeted Case Management Purchase of Services \$892 per client per year (G.R.)  
Other Purchase of Services \$662 per client per year (G.R.)  
Supported Community Living \$7,978 per client per year (G.R.)  
Inpatient Acute Care \$8,765 per client per year (Federal & G.R.)  
Inpatient Residential \$34,789 per client per year (Federal & G.R.)  
Lopez Waiver \$18,346 per client per year (Federal & G.R.)  
Comprehensive Waiver Placement \$50,000 per client per year (Federal & G.R.)  
Comprehensive Waiver In-Home Services \$5,000 per client per year (Federal & G.R.)  
Autism Waiver Intensive Early Intervention \$40,000 per client per year (Federal & G.R.)  
Autism Project \$2,000 per client per year (G.R.)  
CSTAR (Comprehensive Substance Treatment & Rehabilitation) \$3,943 per client per year (Federal & G.R.)

Until the number of clients, treatment mix and new waivers to be available are determined by the Departments of Social Services and Mental Health no costs can be attached to this proposal.

Officials from the **Department of Social Services (DOS) - Division of Family Services (DFS), Children's Services Unit** state fiscal costs due to elements in this proposal are hard to pinpoint at this time, but could be significant. A transfer of "appropriate funds" to the Department of Mental Health (DMH) could deplete the funding now available for children and families who are not eligible for Medicaid mental health services not covered by Medicaid. The actual number of youth this could entail and the finding needed for transfer to the DMH are not clearly known at this time.

ASSUMPTION (continued)

DFS officials state that approximately 559 youth are in DFS custody due to voluntary placement by their parents. Another 188 are placed due to adjudication as a status offender and another 1,888 are placed for reasons listed as "other". This amounts to 2,635 (21.5%) youth who may have been placed for Non-CA/N (Child Abuse and Neglect) issues. However, it is safe to assume that many of these youth may have some CA/N history and many may have been placed for reasons other than needing mental health services solely.

Estimates used for a proposal from last year indicated there may be as many as 500 youth (0.4%) who are in DFS custody solely for mental health services.

Calculating the cost to DFS is difficult to determine. Children who are not otherwise eligible for Medicaid will lose this coverage upon return to their parents' care, resulting in DFS transferring 100% of general revenue dollars, rather than the 40% match it now incurs for Medicaid eligible services. Furthermore, costs associated for community-based treatment vary from case to case, depending on the unique needs of the youth and family. Not all of their needs will be met by Medicaid eligible services. Change in federal Medicaid waivers and in the state plan could require additional general revenues. The exact fiscal costs for these changes are unknown at this time.

For the above reasons, DFS has determined this proposal to have an unknown fiscal impact expected to exceed \$100,000.

Officials from the **DOS - Division of Medical Services (DMS)** state the fiscal impact of creating a community-based service for children is unknown. Many of the services listed do not currently meet the definition of a Medicaid-covered service and would not be eligible for federal matching funds. Thus the DMH would incur all the costs for those services.

Currently, the DMS provides coverage for therapy for children in the care and custody of the DFS. If this proposal passes, the DMS would be required to transfer these funds (the General Revenue portion of 40%) to the DMH. The DMH would be responsible for providing mental health services to these children. If the children are Medicaid eligible after returning to their parents' care, the DMS would draw federal match on all funds spent on their behalf for Medicaid-covered services. If the children are not Medicaid eligible after returning to their parents' care, the DMH would be responsible for 100% of the cost of care.

The DMS assumes that the fiscal impact would be unknown greater than \$100,000. The DFS believes there could be as many as 500 youth currently in DFS custody that could be returned to their homes if adequate mental health services were available.

<u>FISCAL IMPACT - State Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
<b>GENERAL REVENUE</b>			
<u>Costs - Department of Mental Health</u>			
Program costs	(Unknown)	(Unknown)	(Unknown)
<u>Costs - Department of Social Services</u>			
Program costs	(Unknown exceeding \$200,000)	(Unknown exceeding \$200,000)	(Unknown exceeding \$200,000)
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	<b>(Unknown exceeding \$200,000)</b>	<b>(Unknown exceeding \$200,000)</b>	<b>(Unknown exceeding \$200,000)</b>
<b>FEDERAL FUNDS</b>			
<u>Income - Department of Mental Health</u>			
Program cost reimbursements	Unknown	Unknown	Unknown
<u>Income - Department of Social Services</u>			
Program cost reimbursements	Unknown exceeding \$100,000	Unknown exceeding \$100,000	Unknown exceeding \$100,000
<u>Costs - Department of Mental Health</u>			
Program costs	(Unknown)	(Unknown)	(Unknown)
<u>Costs - Department of Social Services</u>			
Program costs	(Unknown exceeding \$100,000)	(Unknown exceeding \$100,000)	(Unknown exceeding \$100,000)
<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS*</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

\* Revenue and expenditures expected to exceed \$100,000 annually and net to \$0.

FISCAL IMPACT - Local Government

FY 2004  
(10 Mo.)

FY 2005

FY 2006

\$0

\$0

\$0

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This proposal requires the Department of Mental Health to develop and administer a comprehensive children's mental health service system. The system will: (1) Be child-centered, family-focused and family driven, with the needs of the child and the family dictating the types of services provided; (2) Provide community-based mental health services to children and their families; (3) Respond in a culturally competent and responsive manner; (4) Focus on stress prevention, early identification and intervention; (5) Assure access to a continuum of services; (6) Include early screening and intervention services; (7) Address problems with paying for mental health services; (8) Assure a smooth transition from mental health services for children to mental health services for persons 19 and older.

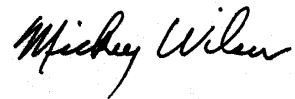
Mental health services must be included for Medicaid if the services are provided by an eligible system of a care provider. The Department of Mental Health, in collaboration with the Division of Medical Services, must establish by rule the definition and criteria for the designation of a community-based service.

The Department of Social Services must conduct research into all child custody cases to determine which cases only need mental health services. The Division of Family Services must apply for federal waivers from the U.S. Department of Health and Human Services in order to provide services to children.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of State Courts Administrator  
Department of Elementary and Secondary Education  
Department of Transportation  
Department of Mental Health  
Department of Health and Senior Services  
Department of Social Services -  
    Division of Family Services  
    Division of Medical Services  
Department of Public Safety -  
    Missouri Highway Patrol  
Missouri Consolidated Health Care Plan  
Department of Insurance  
Missouri Department of Conservation  
Office of Secretary of State



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