

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3072-01
Bill No.: SB 799
Subject: Children and Minors; Mental Health; Medicaid; Social Services Dept.; Education, Elementary and Secondary
Type: Original
Date: February 4, 2008

Bill Summary: Enacts provisions on children's mental health.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
General Revenue	(Less than \$918,025)	(Less than \$1,125,804)	(Less than \$1,171,964)
Total Estimated Net Effect on General Revenue Fund	(Less than \$918,025)	(Less than \$1,125,804)	(Less than \$1,171,964)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 8 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Federal	\$0*	\$0*	\$0*
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0*	\$0*	\$0*

* Income and expenditures less than \$3 million annually and net to \$0.

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on FTE	0	0	0

Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Local Government	(Unknown exceeding \$100,000)	(Unknown exceeding \$100,000)	(Unknown exceeding \$100,000)

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of Administration (COA) - Administrative Hearing Commission, COA - Children's Trust Fund, COA - Office of Child Advocate, Missouri House of Representatives, and Office of the Governor** assume the proposal will have no fiscal impact on their organizations.

Officials from the **Office of Secretary of State (SOS)** state the fiscal impact for this proposal for Administrative Rules is less than \$2,500. The SOS does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the SOS can sustain within its core budget. Therefore, the SOS reserves the right to request funding for the costs of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the Governor.

Officials from the **Department of Mental Health (DMH)** state inpatient hospital services provided by the Division of Comprehensive Psychiatric Services are exempt from licensure (as mentioned in 208.198.1). In addition, the Division already requires an array of screening and assessment for any child prior to admission to any of its programs. MO HealthNet-funded clients are currently assessed for appropriateness and the DMH is reimbursed by the Department of Social Services. Therefore, the DMH anticipates no fiscal impact from this legislation.

Officials from the **Department of Elementary and Secondary Education (DES)** state Section 162.1125 requires every Missouri school district to develop a policy of incorporating social and emotional development into the district's educational program. The section also requires the Missouri State Board of Education develop and implement a plan to incorporate social and emotional development standards for the purpose of enhancing and measuring children's school readiness and ability to achieve academic success in time for the 2009 - 2010 school year.

Policy Development

The individual school district cost is not likely to be significant. However, the total impact to all school districts would likely amount to significant costs.

At the department level, policy development will likely result in significant costs related to consultant fees, travel expenses for a collaborative group of development professionals and the state board of education, and research expenses to determine what others are doing in these areas.

ASSUMPTION (continued)

Implementation

There does not appear to be enough data available to estimate costs of implementing a policy to incorporate social and emotional development into a school district's educational program. The cost of implementing such a policy for a given school district would depend on district size, student make-up, threshold at which the identified issues are determined to need intervention, and number of students with identified problems (social, emotional, mental health problems, or combination thereof) impacting early education.

In addition, the proposal does not define "early education" or the point at which social, emotional, mental health problems, or combination thereof, are assumed to impact early education. Therefore, the target group cannot be identified. As a result, it is impossible to determine a reasonably accurate cost estimate for implementation of the provisions of this proposal.

The DES assumes the provisions of this proposal will result in unknown costs, likely to exceed \$100,000 for both DES and public school districts.

Oversight assumes that school district costs will exceed \$100,000, in total. However, **Oversight** assumes DES/Board of Education costs to assimilate school districts' programs, meet via teleconferencing, etc., and conduct research will be less than \$100,000 annually.

Officials from the **Department of Social Services (DOS) - Division of Youth Services** state the fiscal impact would be incidental. The development and implementation of a policy could be achieved using existing resources. No fiscal impact is anticipated.

Officials from the **DOS - Division of Legal Services (DLS)** state it is assumed that the rules required would be under the MO HealthNet Division and that division handles all of their own rulemaking. The DLS would defer to the cost of this proposal as provided by the MO HealthNet Division.

Officials from the **DOS - Children's Division** assume the proposal will have no fiscal impact on their organization.

Officials from the **DOS - MO HealthNet Division (MHD)** state this legislation will have an impact on the MHD. A screening and assessment will be required for a child before being admitted to an inpatient licensed hospital for psychiatric services.

ASSUMPTION (continued)

Based upon FY 07 data, 6,276 individuals age 20 and under had 12,579 inpatient stays for psychiatric services. The average reimbursement rate for procedure codes for screening and assessment in FY 07 was \$212. If a screening/assessment was provided prior to each admission in FY 07, the cost would have been \$2,666,748 (12,579 inpatient stays X \$212). It is possible that some screenings/assessments are already being done, and if so, the cost would have been less.

A 4.5% trend was added for each year:

FY 09 impact: \$2,222,290 (\$818,025 General Revenue, 10 months)
FY 10 impact: \$2,786,752 (\$1,025,804 General Revenue)
FY 11 impact: \$2,912,155 (\$1,071,964 General Revenue)

The fiscal impact of this proposed legislation is a range from \$0 to \$2.2 million for FY 09. This assumes that some screenings have been done.

Officials from the **Parkway School District, Columbia Public Schools, Kansas City Public Schools, Mexico Public Schools, Nixa Public Schools, Sedalia School District, and St. Louis Public Schools** did not respond to our request for a statement of fiscal impact.

FISCAL IMPACT - State Government

FY 2009
(10 Mo.)

FY 2010

FY 2011

HWC:LR:OD (12/02)

GENERAL REVENUE FUND

Costs - DES

Research fees, program assimilation, teleconferencing costs	(Unknown less \$100,000)	(Unknown less \$100,000)	(Unknown less \$100,000)
--	-----------------------------	-----------------------------	-----------------------------

Costs - DOS

Increased screenings/assessments	<u>(\$0 to 818,025)</u>	<u>(\$0 to \$1,025,804)</u>	<u>(\$0 to \$1,071,964)</u>
----------------------------------	-------------------------	---------------------------------	---------------------------------

**ESTIMATED NET EFFECT ON
GENERAL REVENUE FUND**

<u>(Less than \$918,025)</u>	<u>(Less than \$1,125,804)</u>	<u>(Less than \$1,171,964)</u>
---	---	---

FEDERAL FUNDS

Income - DOS

Screenings/Assessments reimbursements	\$0 to \$1,404,265	\$0 to \$1,760,948	\$0 to \$1,840,191
--	-----------------------	-----------------------	-----------------------

Costs - DOS

Additional screenings/assessments costs	<u>(\$0 to \$1,404,265)</u>	<u>(\$0 to \$1,760,948)</u>	<u>(\$0 to \$1,840,191)</u>
---	---------------------------------	---------------------------------	---------------------------------

**ESTIMATED NET EFFECT ON
FEDERAL FUNDS**

<u>\$0*</u>	<u>\$0*</u>	<u>\$0*</u>
--------------------	--------------------	--------------------

* Income and expenditures less than \$3 million annually and net to \$0.

FISCAL IMPACT - Local Government

FY 2009
(10 Mo.)

FY 2010

FY 2011

**LOCAL GOVERNMENTS - SCHOOL
DISTRICTS**

Costs - School Districts

Policy development costs	<u>(Unknown exceeding \$100,000)</u>	<u>(Unknown exceeding \$100,000)</u>	<u>(Unknown exceeding \$100,000)</u>
--------------------------	--	--	--

**ESTIMATED NET EFFECT ON
LOCAL GOVERNMENTS - SCHOOL
DISTRICTS**

<u>(Unknown exceeding \$100,000)</u>	<u>(Unknown exceeding \$100,000)</u>	<u>(Unknown exceeding \$100,000)</u>
--	--	--

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

This proposal requires every school district, in collaboration with the Office of Child Mental Health, to develop a policy of incorporating social and emotional development into the district's educational program. Each district must submit this policy to the Missouri State Board of Education by January 1, 2009.

The Missouri State Board of Education shall develop and implement a plan to incorporate social and emotional development standards for the purpose of enhancing and measuring children's school readiness and ability to achieve academic success in time for the 2009-2010 school year. The plan shall be submitted to the Governor, General Assembly, and the Children's Services Commission by July 1, 2009. Thereafter, the Children's Services Commission shall receive annual reports from the State Board of Education on the implementation and effects of the plan so that the Commission may issue recommendations for improvements to the plan to the General Assembly.

The Department of Social Services shall require the screening and assessment of a child prior to any MO HealthNet-funded admission to an in-patient licensed hospital for psychiatric services. The screening and assessment shall include a determination of the appropriateness and availability of out-patient support services for necessary treatment. The department shall

FISCAL DESCRIPTION (continued)

establish methods and standards of payment for the screening, assessment, and necessary

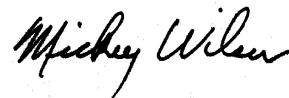
alternative support services. The Department of Social Services shall attempt to secure federal financial participation to fund such screening and assessments to the extent allowable under federal law.

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 Administration -
 Administrative Hearing Commission
 Office of Child Advocate
 Children's Trust Fund
Department of Elementary and Secondary Education
Department of Mental Health
Department of Social Services
Office of the Governor
Missouri House of Representatives
Office of Secretary of State
Missouri Senate

NOT RESPONDING: Parkway School District, Columbia Public Schools, Kansas City Public Schools, Mexico Public Schools, Nixa Public Schools, Sedalia School District, and St. Louis Public Schools



Mickey Wilson, CPA
Director
February 4, 2008