

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2743-02
Bill No.: SB 736
Subject: Prohibits the refusal of residential treatment services to children with mental disorders or addiction.
Type: Original
Date: January 21, 2002

FISCAL SUMMARY

| ESTIMATED NET EFFECT ON STATE FUNDS | | | |
|--|------------------|------------------|------------------|
| FUND AFFECTED | FY 2003 | FY 2004 | FY 2005 |
| General Revenue | (Unknown) | (Unknown) | (Unknown) |
| | | | |
| Total Estimated Net Effect on <u>All</u> State Funds* | (Unknown) | (Unknown) | (Unknown) |

* Could exceed (\$100,000) in a fiscal year.

| ESTIMATED NET EFFECT ON FEDERAL FUNDS | | | |
|--|------------|------------|------------|
| FUND AFFECTED | FY 2003 | FY 2004 | FY 2005 |
| Federal Funds | Unknown | Unknown | Unknown |
| Federal Funds | (Unknown) | (Unknown) | (Unknown) |
| Total Estimated Net Effect on <u>All</u> Federal Funds* | \$0 | \$0 | \$0 |

Revenues and expenditures unknown by net to \$0.

| ESTIMATED NET EFFECT ON LOCAL FUNDS | | | |
|--|------------|------------|------------|
| FUND AFFECTED | FY 2003 | FY 2004 | FY 2005 |
| Local Government | \$0 | \$0 | \$0 |

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of State Courts Administrator** and **Department of Health and Senior Services** assume the proposed legislation will not fiscally impact their organizations.

Officials from the **Department of Mental Health (DMH)** stated the DMH is unable to determine the number of referrals that could be made as a result of this legislation, and therefore, is unable to accurately determine the fiscal impact. However, since the proposed legislation appears to be an entitlement to children affected by any type of psychiatric condition, developmental disability or substance abuse, the cost to provide residential treatment could be significant. Residential services would range in cost by division and targeted population. Using the scenario of 100 referrals at an average per diem cost, below are examples of DMH cost to provide residential services (does not include the 60 percent FFP):

| | |
|-------|---|
| MRDD: | 100 individuals x \$60/day x 365 days = \$2,190,000 |
| ADA: | 100 individuals x \$17/day x 365 days = \$620,500 |
| CPS: | 100 individuals x \$23/day x 365 days = \$839,500. |

Officials from the **Department of Social Services - Division of Youth Services (DOS-DYS)** stated the DYS assumes no fiscal impact. The 10 mental health slots currently purchased through private contractual providers, and the additional 30 professional service slots requested, would be absorbed by the current DYS population. The length of stay of traditional youth, who present community risk and need for special services, would be increased to meet the needs for longer periods of treatment.

Officials from the **DOS - Division of Family Services (DFS)** stated that in their determination that this bill would have a zero cost impact to DFS. The DFS currently utilizes Department of Mental Health (DMH) resources for children in DFS custody who are in need of mental health services. The DFS has interagency agreements with the DMH that allow the DFS to utilize the services of treatment homes and facilities licensed or accredited by the DMH. The DFS, as the legal custodian for the children involved, maintains the responsibility to provide for the costs of this care. Based on the wording of the bill proposal, the DFS does not anticipate that custody of these children would be transferred to the DMH. The DFS does anticipate that the monetary and other arrangements worked out with the DMH in the interdepartmental agreements would continue, and that the DFS would remain responsible for all costs of care for the children involved. Therefore, the DFS anticipates a zero fiscal impact if this proposed bill becomes law.

| | | | |
|---|---------------------|---------|---------|
| <u>FISCAL IMPACT - State Government</u> | FY 2003 (10 Mo.) | FY 2004 | FY 2005 |
|---|---------------------|---------|---------|

GENERAL REVENUE FUND

Costs - Department of Mental Health

| | | | |
|--|--|--|--|
| Additional Service Costs | (Unknown) Could exceed (\$100,000) | (Unknown) Could exceed (\$100,000) | (Unknown) Could exceed (\$100,000) |
| Total <u>Costs</u> - Department of Mental Health | (Unknown) Could exceed (\$100,000) | (Unknown) Could exceed (\$100,000) | (Unknown) Could exceed (\$100,000) |

| | | | |
|--|--|--|--|
| NET ESTIMATED EFFECT ON GENERAL REVENUE FUND* | <u>(Unknown)</u> <u>Could exceed</u> <u>(\$100,000)</u> | <u>(Unknown)</u> <u>Could exceed</u> <u>(\$100,000)</u> | <u>(Unknown)</u> <u>Could exceed</u> <u>(\$100,000)</u> |
|--|--|--|--|

FEDERAL FUNDS

| | | | |
|---|-------------------|-------------------|-------------------|
| <u>Income - Department of Mental Health</u> | Unknown | Unknown | Unknown |
| <u>Expenses - Department of Mental Health</u> | (Unknown) | (Unknown) | (Unknown) |
| ESTIMATED NET EFFECT ON FEDERAL FUNDS* | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |

| | | | |
|---|---------------------|-------------------|-------------------|
| <u>FISCAL IMPACT - Local Government</u> | FY 2003 (10 Mo.) | FY 2004 | FY 2005 |
| | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |

FISCAL IMPACT - Small Business

The proposed legislation could result in the DMH going to private providers for additional bed capacity, thereby having an unknown, positive, impact on small business.

DESCRIPTION

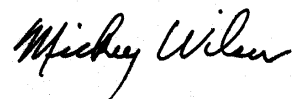
HW-C:LR:OD (12/01)

This act prohibits the refusal of residential treatment services to children with mental disorders or addiction. Currently, Section 630.605, RSMo, requires the Department of Mental Health to establish a placement program for affected individuals. New language allows the Department of Social Services or the court to refer a child to the Department of Mental Health for assessment. If the assessment indicates a mental disorder or addiction, then the Department shall not refuse residential treatment services to that child.

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 Health and Senior Services
Department of Mental Health
Department of Social Services -
 Division of Youth Services
 Division of Family Services



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Acting Director
January 21, 2002