



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2009 Biennium

Bill #	HB0446	Title:	Reimburse counties for costs related to state mental health facilities
Primary Sponsor:	Villa, Dan	Status:	As Introduced

- | | | |
|-----------------------------------------------------------|------------------------------------------------------------------|----------------------------------------------------------|
| <input type="checkbox"/> Significant Local Gov Impact | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

	<u>FY 2008 Difference</u>	<u>FY 2009 Difference</u>	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>
Expenditures:				
General Fund	\$2,496,330	\$2,515,227	\$2,535,259	\$2,556,492
Revenue:				
General Fund	(\$678,728)	(\$678,728)	(\$678,728)	(\$678,728)
Net Impact-General Fund Balance	<u>(\$3,175,058)</u>	<u>(\$3,193,955)</u>	<u>(\$3,213,987)</u>	<u>(\$3,235,220)</u>

Description of fiscal impact:

This bill will shift community precommitment costs as well as a portion of the Montana State Hospital (MSH) costs that are recoverable through local entities, public assistance and insurance sources to the state. Costs include hospitalization, treatment, detention, court, and transportation costs for individuals in precommitment proceedings.

FISCAL ANALYSIS

Assumptions:

Public Health and Human Services Health Resources Division

- The Department of Public health and Human Services Children's Mental Health Bureau estimates 15 youths per year could qualify for pre-commitment detention, examination, and treatment.
- It is assumed that the youths are not receiving Medicaid.
- Psychological evaluation and testing is estimated at \$1,000 per youth. The estimated cost for psychological evaluation and testing is \$15,000 (\$1,000 per youth x 15 youths) in FY 2007. An annual inflation rate for FY 2008 – FY 2011 is projected at 6 percent per year.
 - FY 2008 = \$15,900 (\$15,000 x 6 Percent)
 - FY 2009 = \$16,854 (\$15,900 x 6 Percent)

- c. FY 2010 = \$17,865 (\$16,854 x 6 Percent)
 - d. FY 2011 = \$18,937 (\$17,865 x 6 Percent)
4. Fees for professional testimony for court appearance (initial and discharge) are estimated to be \$672 per youth utilizing FY 2007 rates. This includes two hours of preparation time and four hours for court appearance for both the initial and discharge appearances. These costs are assumed to be billed at the Medicaid reimbursable rate of \$56 per hour per each court. The total cost for professional testimony for FY 2007 is \$10,080 (Court appearance (6 hours x \$56 per Hour) x 2 Court Appearances = \$672 per youth x 15 youths). An annual inflation rate for FY 2008 – FY 2011 is projected at 6 percent per year.
- a. FY 2008 = \$10,685 (\$10,080 x 6 Percent)
 - b. FY 2009 = \$11,326 (\$10,685 x 6 Percent)
 - c. FY 2010 = \$12,006 (\$11,326 x 6 Percent)
 - d. FY 2011 = \$12,726 (\$12,006 x 6 Percent)
5. Transporting a youth in crisis from the county of residence to an inpatient hospital is via ambulance. Costs associated with the transport for FY 2007 is estimated at \$645 per youth (assuming current Medicaid rates x 150 estimated miles transported). Total transportation annual transportation costs are estimated at \$9,675 (\$645 per youth x 15 youths). An annual inflation rate for FY 2008 – FY 2011 is projected at 6 percent per year.
- a. FY 2008 = \$10,256 (\$9,675 x 6 Percent)
 - b. FY 2009 = \$10,871 (\$10,256 x 6 Percent)
 - c. FY 2010 = \$11,523 (\$10,871 x 6 Percent)
 - d. FY 2011 = \$12,214 (\$11,523 x 6 Percent)
6. The majority of admissions as a result of a youth in crisis (danger to self or community) are to an inpatient hospital. The youth are detained approximately five to seven days until stabilized and transferred to a residential treatment facility. The average cost for a five to seven day hospitalization is \$8,818 per youth for FY 2007. The total estimated cost for hospitalization based on 2007 rates is calculated to be \$132,270 (\$8,818 per youth x 15 youths). An annual inflation rate for FY 2008 – FY 2011 is projected at 6 percent per year.
- a. FY 2008 = \$140,206 (\$132,270 x 6 Percent)
 - b. FY 2009 = \$148,618 (\$140,206 x 6 Percent)
 - c. FY 2010 = \$157,535 (\$148,618 x 6 Percent)
 - d. FY 2011 = \$166,987 (\$157,535 x 6 Percent)
7. Trial must be held within 30 days. The costs of treating the youth at the residential treatment center for the 30-day pre-commitment period is calculated based on the Medicaid reimbursable rate of \$289.14 per day is estimated at \$8,674 (30 days treatment x \$289.14 cost per day). The total estimated cost for RTC placements based on 2007 rates is calculated to be \$130,110 (\$8,674 cost per youth x 15 youths). An annual inflation rate for FY 2008 – FY 2011 is projected at 6 percent per year.
- a. FY 2008 = \$137,917 (\$130,110 x 6 Percent)
 - b. FY 2009 = \$146,192 (\$137,917 x 6 Percent)
 - c. FY 2010 = \$154,964 (\$146,192 x 6 Percent)
 - d. FY 2011 = \$164,262 (\$154,964 x 6 Percent)
8. Total HRD impact is:
- a. FY 2008 = \$15,900 + \$10,685 + \$140,206 + \$137,917 = \$314,964
 - b. FY 2009 = \$16,854 + \$11,326 + \$10,871 + \$148,618 + \$146,192 = \$333,861
 - c. FY 2010 = \$17,865 + \$12,006 + \$11,523 + \$157,535 + \$154,964 = \$353,893
 - d. FY 2011 = \$18,937 + \$12,726 + \$12,214 + \$166,987 + \$164,262 = \$375,126

Addictive and Mental Disorders Division

9. It is estimated that there would be 414 adult emergency ordered or court ordered detentions (COD/EOD) per year to MSH, based on FY 2006 data.

10. There are two forms of costs incurred prior to the involuntary hearing that will be paid—Community and MSH pre-commitment costs. The county of residence currently pays community pre-commitment costs, after insurance proceeds, which costs include in-patient hospital stays.

11. It is estimated that community pre-commitment costs will average \$5,269 per commitment. This is broken down as follows:

In-patient Hospital:	\$2,794	(\$1,397 daily Medicaid rate for a two day stay)
Professional Examinations:	\$1,000	
Prehearing Detention:	\$250	
Professional Testimony:	\$624	
Treatment:	\$126	
Transport	\$291	(2 roundtrips to MSH of 300 miles at 48.5 cents per mile)
Deputy overtime:	<u>\$184</u>	(8 hours at \$23 per hour)
TOTAL:	\$5,269	per commitment

The total of community precommitment costs paid by the general fund would be \$2,181,366 (414 * \$5,269).

12. It is assumed these costs will be paid with 100 percent general.

13. Pre-commitment costs at MSH are currently billed to private insurance or a public assistance program, such as Medicaid and Medicare. The county of commitment currently pays the balance of the costs.

14. It is estimated that it would cost \$771,282 for hospital precommitment costs incurred at MSH, as calculated below:

MSH FY06 costs:	\$25,002,971
Annual Average Daily Population (ADP):	198.85 patients *365days=72,580
Cost per day/patient:	\$345 (\$25,002,971 / 72,580 = \$345)
Average EOD/COD stay:	5.4 days
EOD/COD admissions:	414
TOTAL MSH PRECOMMITMENT COSTS:	\$771,282 (\$345*5.4*414)

These costs are already included in the budget for the Montana State Hospital.

15. Based on the FY 2006 data, it is estimated that the MSH pre-commitment reimbursement costs to the general fund of \$771,828 would be billed 10 percent or \$77,128 to Medicare/private insurance, two percent or \$15,425 to Medicaid, and the balance of \$678,728 would be a reduction in general fund revenue.

	<u>FY 2008 Difference</u>	<u>FY 2009 Difference</u>	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>
<u>Fiscal Impact:</u>				
FTE	0.00	0.00	0.00	0.00
<u>Expenditures:</u>				
Operating Expenses	\$2,496,330	\$2,515,227	\$2,535,259	\$2,556,492
<u>Funding of Expenditures:</u>				
General Fund (01)	\$2,496,330	\$2,515,227	\$2,535,259	\$2,556,492
<u>Revenues:</u>				
General Fund (01)	(\$678,728)	(\$678,728)	(\$678,728)	(\$678,728)
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	(\$3,175,058)	(\$3,193,955)	(\$3,213,987)	(\$3,235,220)

Effect on County or Other Local Revenues or Expenditures:

This bill has the effect of reducing local government costs for mental health transportation, involuntary proceedings, and hearings and transferring those costs to the state. It would free up budget monies for the counties to use elsewhere and would have a positive fiscal impact on revenues and expenditures to the extent of any reimbursable costs submitted by the counties. Actual dollar amounts are not determined.

Sponsor's Initials

Date

Budget Director's Initials

Date