



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2017 Biennium

|                         |                     |                |   |
|-------------------------|---------------------|----------------|---|
| <b>Bill #</b>           | HB0138              | <b>Title:</b>  | Consider housing needs in discharge plans from mental health facilities |
| <b>Primary Sponsor:</b> | Hill, Ellie Boldman | <b>Status:</b> | As Introduced   |

- Significant Local Gov Impact       Needs to be included in HB 2       Technical Concerns  
 Included in the Executive Budget       Significant Long-Term Impacts       Dedicated Revenue Form Attached

### FISCAL SUMMARY

|   | <u>FY 2016<br/>Difference</u> | <u>FY 2017<br/>Difference</u> | <u>FY 2018<br/>Difference</u> | <u>FY 2019<br/>Difference</u> |
|---|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| <b>Expenditures:</b>                    |                               |                               |                               |                               |
| General Fund                            | \$165,656                     | \$167,969                     | \$170,317                     | \$172,699                     |
| <b>Revenue:</b>                         |                               |                               |                               |                               |
| General Fund                            | \$0                           | \$0                           | \$0                           | \$0                           |
| <b>Net Impact-General Fund Balance:</b> | <u>(\$165,656)</u>            | <u>(\$167,969)</u>            | <u>(\$170,317)</u>            | <u>(\$172,699)</u>            |

**Description of fiscal impact:** HB 138 would not allow a patient to be discharged from the Montana State Hospital (MSH) to a homeless situation or a homeless shelter. The inability to discharge a patient from the Montana State Hospital (MSH) to a homeless shelter will require that some patients remain hospitalized until such a time as a suitable housing situation can be found.

### FISCAL ANALYSIS

#### Assumptions:

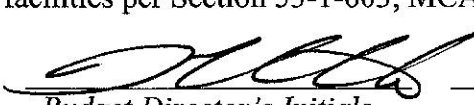
- Based on an average of the discharges to homeless shelters in the past four years, 18 patients per year may be discharged to homeless shelters from the Montana State Hospital. In 2011, 26 patients were discharged to homeless shelters; in 2012, 12 were discharged to homeless shelters; in 2013, 10 were discharged to homeless shelters, and in 2014, 23 patients were discharged to homeless shelters. There were no discharges to homeless shelters from the Montana Mental Health Nursing Care Center.
- The length of stay in the hospital is estimated to increase by 60 days for these patients until suitable housing can be located. The department would be working to establish SSI or SSDI eligibility for these patients during this time.
- Incidental costs at Montana State Hospital are estimated to be \$48.94 per day in FY 2016 with a 1.5% inflation rate per year thereafter. Additional incidental costs to the hospital would be \$52,850 in FY 2016 (\$48.94 x 18 x 60); \$53,643 in FY 2017; \$54,448 in FY 2018; and \$55,265 in FY 2019. Incidentals include items such as food, clothing, laundry, medical supplies and laboratory services.

5. Housing options after a patient leaves the Montana State Hospital can include group homes, or private rental apartments or homes. Since eligibility determination for SSI or SSDI currently takes approximately 4-6 months, assistance would be necessary from the state for temporary housing during this timeframe to meet the homeless or homeless shelter restriction. A patient is estimated to need either a group home or private rental for up to 90 days until permanent housing can be identified, and SSI or SSDI determination is completed. It is estimated that 50% of the patients would be placed in a private rental and 50% would be placed in a group home.
6. Private rental costs were based on the average HUD 2014 Montana Fair Market rate per county of \$575 per month (\$19.16 per day) with a 1.5% inflation rate per year. In 2016, a private rental is estimated to cost approximately \$19.74 per day, and nine (9) of the 18 people discharged would be placed in a private rental at a cost of \$15,989 (9 x \$19.74 x 90). Assuming nine (9) of the 18 people discharged each of the following years would be placed in private rentals with a 1.5% inflation increase each year, the costs in FY 2017 would be \$16,229; \$16,472 in FY 2018; and \$16,719 in FY 2019.
7. A group home is estimated to cost \$119.53 per day in FY 2016. It is assumed this rate would increase 1.5% each year, but any provider rate increases would be based on either Executive or Legislative branch actions. In FY 2016, 9 of the 18 people would be placed in a group home for a total cost of \$96,817 (\$119.53 x 9 x 90). In FY 2017, the cost would be \$98,097; in FY 2018, the cost would be \$99,397 and in FY 2019, the costs would \$100,716.
8. These costs would be funded with 100% general fund.

|   | <u>FY 2016</u><br><u>Difference</u> | <u>FY 2017</u><br><u>Difference</u> | <u>FY 2018</u><br><u>Difference</u> | <u>FY 2019</u><br><u>Difference</u> |
|---|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| <b><u>Fiscal Impact:</u></b>  |                                     |                                     |                                     |                                     |
| <b><u>Expenditures:</u></b>   |                                     |                                     |                                     |                                     |
| Operating Expenses  | \$165,656                           | \$167,969                           | \$170,317                           | \$172,699                           |
| <b>TOTAL Expenditures</b>   | <u>\$165,656</u>                    | <u>\$167,969</u>                    | <u>\$170,317</u>                    | <u>\$172,699</u>                    |
| <b><u>Funding of Expenditures:</u></b>  |                                     |                                     |                                     |                                     |
| General Fund (01)   | \$165,656                           | \$167,969                           | \$170,317                           | \$172,699                           |
| <b>TOTAL Funding of Exp.</b>  | <u>\$165,656</u>                    | <u>\$167,969</u>                    | <u>\$170,317</u>                    | <u>\$172,699</u>                    |
| <b><u>Revenues:</u></b>   |                                     |                                     |                                     |                                     |
| General Fund (01)   | \$0                                 | \$0                                 | \$0                                 | \$0                                 |
| <b>TOTAL Revenues</b>   | <u>\$0</u>                          | <u>\$0</u>                          | <u>\$0</u>                          | <u>\$0</u>                          |
| <b><u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u></b> |                                     |                                     |                                     |                                     |
| General Fund (01)   | (\$165,656)                         | (\$167,969)                         | (\$170,317)                         | (\$172,699)                         |

**Technical Notes:**

1. When an involuntary commitment expires, the hospital will not be able to hold the patient until housing is available unless the patient is willing to stay voluntarily.
2. This fiscal note is only addressing costs related to state facilities. The costs would increase significantly if the intent of the bill is to include all mental health facilities per Section 53-1-603, MCA.

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| Sponsor's Initials | Date | <br>Budget Director's Initials | 1/5/15<br>Date |
|--------------------|------|--|----------------|