

COMMITTEE ON LEGISLATIVE RESEARCH  
 OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3520-01  
Bill No.: HB 1622  
Subject: Health Care; Health Care Professionals; Mental Health; Mental Health Dept.  
Type: Original  
Date: March 18, 2002

FISCAL SUMMARY

<b>ESTIMATED NET EFFECT ON STATE FUNDS</b>			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
General Revenue	(\$32,740)	(\$30,323)	(\$31,088)
<b>Total Estimated Net Effect on <u>All</u> State Funds</b>	<b>(\$32,740)</b>	<b>(\$30,323)</b>	<b>(\$31,088)</b>

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
 This fiscal note contains 4 pages.

FISCAL ANALYSIS

## ASSUMPTION

Officials from the **Department of Mental Health (DMH)** stated this bill requires reporting on certain procedures to the DMH. It states that failure to send such reports to the DMH is a misdemeanor. It requires the DMH to analyze, audit, and monitor such procedures using the information in the reports. Because of numerous "unknown or unclear" aspects of this bill it is not possible to arrive at a clear determination of costs.

If the purpose of the bill is to obtain purely statistical information for the purpose of tracking the prevalence of such procedures (which according to the DOH Client Abstract System exceeded 1,000 procedures in 1999), the DMH would require 1 FTE clerk typist to handle the required quarterly hospital and physician survey mailings, the receipt and filing of the surveys, the entry of the required data into a database, and follow-up (written and phone) on surveys not returned.

If the intent is to do the above and to perform detailed statistical/analytical and qualitative examination of the data two FTE research analysts would be needed. This estimate is based upon the amount of data required under this bill, which requires significantly more information on these procedures than what is currently captured by the DOH Patient Abstract System (which currently requires the use of 2 FTE Research Analysts by the DOH for system and data maintenance). The DMH analysts would be reviewing over 1000 cases for qualitative as well as quantitative data and handling phone follow-ups on reports raising questions. This would greatly increase the projected cost of the bill.

However, if the intent of the bill is to have a qualified "peer" review the data for indications of improper use of such procedures, at least one additional FTE, a physician, would be required. The information required under this bill is not only statistical in nature but qualitative as well. This data does not lend itself to entry into an electronic system. The potential requirements of this bill, if a peer review of the procedures is intended, would significantly increase the cost of the note.

If the intent of the bill is the gathering and analysis of the data as written above plus field visits to monitor and audit the hospitals and physicians which use these procedures, the cost and FTEs required would be significantly increased. There is currently no means available to calculate this cost.

This bill does not give any indication of the specific purpose for such analysis, auditing and monitoring, and it also does not specify what the DMH is to do if something "out of the ordinary" were to be found from the information in the reports (which could require the hiring of attorneys to handle such legal actions).

## ASSUMPTION (continued)

Therefore, we assume the work to receive these reports and process them according to the bill would be strictly of a "desk" audit, analysis, and monitoring" in nature rather than "field" audit

and monitoring. For this reason the cost of the note is limited to 1 FTE clerk typist position. If, however, the DMH were to report violations of this bill for prosecution by the Attorney General this might necessitate additional costs.

The clerk typist would be responsible for developing and maintaining the database on the required procedures, handle the distribution and receipt of the required quarterly reports from the hospitals and doctors, and spend a large portion of his/her time on the anticipated follow-up calls with hospitals and doctors who fail to return reports. The data required to be reported goes above simple entry of statistical information and as such will be labor intensive. This position will also be responsible for the development and distribution of quarterly reports on the data received and statutory compliance levels.

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

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
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**GENERAL REVENUE FUND**

Costs - Department of Mental Health

Personal Service Costs (1 FTE)	(\$17,487)	(\$21,508)	(\$22,046)
Fringe Benefits	(\$5,828)	(\$7,169)	(\$7,348)
Equipment and Expense	<u>(\$9,425)</u>	<u>(\$1,646)</u>	<u>(\$1,694)</u>
Total <u>Costs</u> - Department of Mental Health	<u>(\$32,740)</u>	<u>(\$30,323)</u>	<u>(\$31,088)</u>

**ESTIMATED NET EFFECT ON  
 GENERAL REVENUE FUND**

	<u>(\$32,740)</u>	<u>(\$30,323)</u>	<u>(\$31,088)</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Small Business

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

DESCRIPTION

This bill requires mental health hospitals or facilities to submit a quarterly report to the Department of Mental Health if their facilities and physicians on an outpatient basis administer electroconvulsive therapy, psychosurgery, or other specified therapies for the treatment of mental illness. The bill specifies the components which must be included in the quarterly reports.

Mental hospitals, facilities, or physicians who violate provisions of the bill commit a misdemeanor and are subject to a specified fine, confinement in jail, or both. The penalties contained in the bill will apply to violations committed on or after August 28, 2002. For violations committed before August 28, 2002, current law will apply.

The department is required to use the submitted information for the purposes of auditing, analyzing, and monitoring the use of these therapies.

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

Department of Mental Health  
Office of State Courts Administrator  
Department of Corrections



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Acting Director  
March 18, 2002