

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4879-01  
Bill No.: HB 2096  
Subject: Mental Health; Mental Health Dept.  
Type: Original  
Date: March 20, 2002

**FISCAL SUMMARY**

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

**\* Reallocation of funding would result in some political subdivisions receiving more funding based on the distribution system and some less funding. The net effect is \$0.**

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

**FISCAL ANALYSIS**

**ASSUMPTION**

Officials from the **Office of the Secretary of State (SOS)** state this bill requires the Department of Mental Health to develop and implement an equitable distribution system for funding for outpatient services. Based on experience with other divisions, the rules, regulations and forms issued by the Department could require as many as 8 pages in the *Code of State Regulations*. For any given rule, roughly one-half again as many pages are published in the *Missouri Register* as are published in the Code because cost statements, fiscal notes and notices are not published in the Code. The estimated cost of a page in the *Missouri Register* is \$23.00. The estimated cost of a page in the *Code of State Regulations* is \$27.00. The actual costs could be more or less than the numbers given. The fiscal impact of this legislation in future years is unknown and depends upon the frequency and length of rules filed, amended, rescinded and withdrawn. The SOS estimates the cost of this legislation to be \$492 [(8 pp x \$27) + (12 pp x \$23)].

**Oversight** assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

Officials from the **Department of Mental Health** stated the efforts required to implement the equitable distribution of outpatient services will be absorbed by existing administrative staff. The proposed legislation will have no effect on the cost of existing services but will redistribute funds among counties. Therefore, no fiscal impact is anticipated.

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

<u>FISCAL IMPACT - Local Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
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**LOCAL POLITICAL SUBDIVISIONS**

<u>FISCAL IMPACT - Local Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
<u>Increased Funding for Outpatient Mental Health Services</u>	Unknown	Unknown	Unknown
<u>Decreased Funding for Outpatient Mental Health Services</u>	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
<b>ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS*</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

**\* Reallocation of funding would result in some political subdivisions receiving more funding based on the distribution system and some less funding. The net effect is \$0.**

FISCAL IMPACT - Small Business

The proposed legislation may impact small business mental health providers if they provide services for local political subdivisions. The impact could be positive or negative depending on the allocation of resources by the DMH. The net effect is unknown.

DESCRIPTION

This bill requires the Department of Mental Health to implement an equitable distribution system for local effort moneys and state appropriations. The funds will be distributed to political subdivisions for the provision of care, treatment, rehabilitation, and evaluation services on an outpatient basis for persons affected by mental disorders and mental illness. The bill requires the equitable distribution system to be implemented by July 1, 2007.

By January 1, 2006, the department is required to include specified components in the equitable distribution system. The components include: (1) The designation of uniform service areas for outpatient services for the divisions of Mental Retardation and Developmental Disabilities, Comprehensive Psychiatric Services, and Alcohol and Drug Abuse; (2) The development of a standard plan and guidelines for local providers in the designated services areas; (3) The development of rules concerning the establishment of criteria governing the allocation and distribution of funds; and (4) Educating and interacting with political subdivisions within the designated service areas in order to maximize the efficiency and effectiveness of the distribution of funds and services.

DESCRIPTION (continued)

Each political subdivision which receives funding is required to submit a report to the department which reveals the total dollar amount of local effort that will be contributed by the

political subdivision for the provision of mental health services. Political subdivisions can collaborate and pool their local efforts for the purposes of improving services and increasing funding for the designated services areas. The department is also required to establish by rule specific measurable criteria which will be used to equitably distribute local effort moneys and state appropriations.

The bill requires that one-half of the local effort moneys and state appropriations will be distributed proportionally to each political subdivision. The remaining one-half of the local effort and state appropriation will be distributed to political subdivisions based on the measurable criteria.

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 Secretary of State  
Department of Mental Health



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Acting Director  
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