

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3472-01
Bill No.: SB 1003
Subject: Children and Minors; Disabilities; Family Services Division; Health Care; Mental Health; Mental Health Dept.; Social Services Dept.
Type: Original
Date: January 14, 2004

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
General Revenue	(Unknown exceeding \$100,000)	(Unknown exceeding \$100,000)	(Unknown exceeding \$100,000)
Total Estimated Net Effect on General Revenue Fund	(Unknown exceeding \$100,000)	(Unknown exceeding \$100,000)	(Unknown exceeding \$100,000)

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on <u>All</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 7 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of State Courts Administrator, Department of Insurance, Missouri Consolidated Health Care Plan** and **Missouri Department of Conservation** assume the proposal will have no fiscal impact on their organizations.

Officials from the **Department of Elementary and Secondary Education (DES)** assume DES may incur various expenses and staff time to serve on the “Comprehensive System Management Team”. However, DES does not expect these costs to be significant.

Officials from the **Department of Public Safety - Missouri State Highway Patrol** defer to the Missouri Department of Transportation for response regarding the fiscal impact of this proposal on their organization.

Officials from the **Missouri Department of Transportation** state the proposal establishes a comprehensive children’s mental health service system and does not mandate any health insurance benefit coverage. As a result, the proposal will have no fiscal impact on the Highway and Patrol Medical Plan.

ASSUMPTION (continued)

Officials from the **Department of Mental Health (DMH)** state section 208.204.3 has the wording “subject to appropriations” added to the provision of services to children returned by a judge to a family’s custody. Further, section 208.204.4 allows the DMH to bill the Department of Social Services for services provided. Such wording allows the finding of no fiscal impact upon the DMH.

Section 630.097, pertaining to a unified accountable comprehensive children’s mental health services system, is seen as having no fiscal impact. The DMH is currently operating such a system and any services added to this system in the future would be considered a new budget item and automatically subject to availability of appropriations.

Officials from the **Department of Social Services (DOS) - Division of Family Support/Children’s Division (DFS/CD)** state fiscal costs due to elements of this proposal are hard to pinpoint, but could be significant. Payments to the Department of Mental Health (DMH) could deplete the limited funding now available for children and families who are not eligible for Medicaid mental health services and/or require services not covered by Medicaid. The actual number of youth this could entail and the funding needed for payments to DMH are not clearly known at this time. DFS/CD knows that approximately 559 youth are in CD custody due to voluntary placement by their parents. Another 188 are placed due to adjudication as a status offender and another 1,888 are placed for reasons listed as “other”. This amounts to 2,635 (21.5%) youth who may have been placed for non Child Abuse and Neglect (CA/N) history and many may have been placed for reasons other than needing mental health services solely.

Estimates used for SB 923 in FY 03 indicated that there may be as many as 500 youth (0.4%) who are in CD custody solely for mental health services.

Calculating the cost to CD is also difficult to determine. Children who are not otherwise eligible for Medicaid will lose this coverage upon return to their parents’ care, resulting in CD transferring 100% general revenue dollars, rather than the 40% match it now incurs for Medicaid eligible services. Furthermore, costs associated with community-based treatment vary from case to case, depending on the unique needs of the youth and family. Not all of their needs will be met by Medicaid eligible services. Changes in federal Medicaid waivers and in the state plan could require additional general revenue dollars as well. The exact fiscal costs for these changes are unknown at this time.

If only two (2) of these children required Level IV Residential Treatment, the cost would be in excess of \$100,000. Therefore, DFS/CD estimates the fiscal impact would be unknown, but greater than \$100,000.

ASSUMPTION (continued)

Officials from the **DOS - Division of Medical Services (DMS)** state the fiscal impact of creating a community-based service for children is unknown. Many of the services listed do not currently meet the definition of a Medicaid-covered service and would not be eligible for federal matching funds. Thus, the DMH would initially incur all the costs for those services and later be reimbursed by DFS/DC.

The DMS assumes that children who are returned to the custody of their parents will receive needed mental health services and the DMS will only be billed for services provided to individuals who remain Medicaid eligible. No fiscal impact is anticipated to the DMS. The DMS will apply for any appropriate Medicaid waivers.

Officials from the **Office of the Secretary of State (SOS)** state this proposal establishes a comprehensive children's mental health services system. The Department of Mental Health could promulgate rules to enact this proposal. Based on experience with other divisions, the rules, regulations and forms issued by the Department of Mental Health could require as many as 14 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 \$861 [(14 pp x \$27) + (21 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.

<u>FISCAL IMPACT - State Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
GENERAL REVENUE			
<u>Costs - Department of Social Services</u>			
Program Costs	<u>(Unknown exceeding \$100,000)</u>	<u>(Unknown exceeding \$100,000)</u>	<u>(Unknown exceeding \$100,000)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE			
	<u>(Unknown exceeding \$100,000)</u>	<u>(Unknown exceeding \$100,000)</u>	<u>(Unknown exceeding \$100,000)</u>

**Section 208.201.1 - SUBJECT TO
 APPROPRIATION**

<u>FISCAL IMPACT - Local Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

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

DESCRIPTION

This proposal establishes a comprehensive children's mental health service system.

The Department of Mental Health, in collaboration with the Department of Social Services, must establish by rule the definition and criteria for the designation of a community-based service. Community-based services will include intensive home-based services, early intervention services, family support services, respite services, and behavioral assistance services (Section 208.152).

The Department of Social Services must review all child custody cases to determine which cases only need mental health services. Within sixty days, individualized treatment plans must be

DESCRIPTION (continued)

developed to identify which agencies will supply the appropriate services to the child. The child's family may actively participate in the plan. Plans must be submitted to the court for approval (Section 208.204).

Children in need of only mental health services may be returned to the family's custody. Services shall be provided in the least restrictive environment. The Department of Mental Health shall bill the Department of Social Services for the appropriate moneys to care for these children (Section 208.204).

The Department of Mental Health, in conjunction with all of the Departments represented on the Children's Services Commission, must develop a comprehensive children's mental health service system. This system will include a "Comprehensive System Management Team" to serve children with emotional, behavioral, and substance abuse disorders. The team shall be comprised of family members and representation from the juvenile justice system and the Departments of Health and Senior Services, Social Services, Elementary and Secondary Education, Public Safety, and Mental Health. A children's mental health service system plan must be developed detailing outcomes and progress and shall be submitted to the House, Senate and Governor by December 31, 2004 (Section 630.097).

The standard means test for children in need of mental health services shall be waived to avoid custody transfers to the Children's Division. The Department of Mental Health is responsible for notifying parents that the standard means test may be waived (Section 630.210).

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 Elementary and Secondary Education
Department of Mental Health
Missouri Department of Transportation
Department of Public Safety -
 Missouri State Highway Patrol
Missouri Consolidated Health Care Plan
Department of Insurance
Missouri Department of Conservation
Office of Secretary of State
Department of Social Services



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Director
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