

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3955-02
Bill No.: HB 1174
Subject: Children and Minors; Mental Health; Mental Health Dept.; Social Services Dept.
Type: Original
Date: February 10, 2004

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
General Revenue	(Unknown)	(Unknown)	(Unknown)
Total Estimated Net Effect on General Revenue Fund	(Unknown)*	(Unknown)*	(Unknown)*

*** SUBJECT TO APPROPRIATIONS**

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
Federal Funds	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0*	\$0*	\$0*

**** Revenues and expenditures unknown but net to \$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 Economic Development - Division of Professional Registration, 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 potential fiscal impact of this proposal on their organization.

Officials from the **Missouri Department of Transportation (DOT)** 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 funding of services under the system are subject to appropriations. Expansion of any system developed would likewise be subject to necessary funding being available. Therefore, the DMH anticipates no fiscal impact as a result of this proposal.

Officials from the **Department of Social Services (DOS) - Children's Division (CD)** state the actual number of youth this could entail and the funding needed for payments to the DMH are not clearly known at this time. The DOS-CD knows that approximately 559 youth are in DOS-DC's 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 only.

There will be no fiscal impact resulting from this proposal due to the language of "...pursuant to a comprehensive financing plan jointly developed by the two departments." in section 208.204, section 4. The DOS-CD assumes that due to this language, the DOS-CD will not be held responsible for costs that would be in excess of that the Division has historically been responsible for, had the children been in its custody.

Officials from the **DOS - Division of Youth Services** assume the proposal will have no fiscal impact on their organization.

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. Therefore, the Department of Mental Health (DMH) would incur all the costs for those services.

Officials from the **Office of Secretary of State (SOS)** did not respond to our request for a statement of fiscal impact. However, in response to an earlier version of this proposal, the SOS stated 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*

ASSUMPTION (continued)

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.

Oversight assumes any funding appropriated for the Children's Mental Health Service System for services is unknown. Federal reimbursements for costs would be dependent on whether the services were provided to Medicaid-eligible children. These revenues and expenditures would be unknown but would net to \$0.

<u>FISCAL IMPACT - State Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
GENERAL REVENUE FUND			
<u>Costs -State Departments</u>			
Comprehensive Children's Mental Health Service System Expenditures	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>(Unknown)*</u>	<u>(Unknown)*</u>	<u>(Unknown)*</u>

*** SUBJECT TO APPROPRIATIONS**

<u>FISCAL IMPACT - State Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
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FEDERAL FUNDS

Income - State Departments

Federal Reimbursements for Comprehensive Children's Mental Health Services	Unknown	Unknown	Unknown
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Costs - State Departments

Comprehensive Children's Mental Health Service System Expenditures	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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**ESTIMATED NET EFFECT ON
FEDERAL FUNDS**

	<u>\$0**</u>	<u>\$0**</u>	<u>\$0**</u>
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**** Revenues and expenditures unknown but net to \$0.**

<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 mental health services system for children. The system will be required to: (1) Be child centered, family focused, and family driven. The needs of the child and family will dictate the types and mix of services provided; (2) Provide community-based mental health services to children and their families; (3) Respond in a culturally competent and responsive manner; (4) Stress prevention, early identification, and intervention; (5) Assure access to a continuum of services; (6) Include early screening services; (7) Address problems associated with paying for mental health services for children; (8) Assure a smooth transition from mental health services appropriate for children to mental health services appropriate for adults; (9) Coordinate a service delivery system with providers and schools that serves children with emotional and behavioral disturbance problems; and (10) Be outcome based.

DESCRIPTION (continued)

The proposal requires the Department of Mental Health to develop a comprehensive children's mental health service system plan, which must be submitted to the General Assembly and the Children's Services Commission by December 2004. The requirements for the plan include: (1) Defining the mental health service and support needs of children and their families; (2) Defining a comprehensive array of services to be provided; (3) Establishing short- and long-term goals; (4) Describing the parameters for local implementation of the comprehensive children's mental health system; (5) Describing the importance of family involvement; (6) Describing financing mechanisms for the comprehensive children's mental health system; (7) Describing the coordination of services across child-serving agencies with emphasis on the involvement of local schools; (8) Describing methods for service, program and system evaluation, and the need for training and technical assistance; and (9) Describing the roles and responsibilities of state and local child-service agencies in the comprehensive children's mental health system.

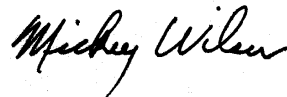
The proposal also makes various changes to laws relating to children's mental health services. The proposal: (1) Adds child-serving agencies within the comprehensive children's mental health service system to the definition of "mental health services" for the purpose of defining services for the Medicaid Program; (2) Requires the Children's Division within the Department

of Social Services to look at the children in its custody and determine which are there solely because of a mental health issue. Within 60 days of a child being identified, an individualized service plan must be developed to provide the appropriate and necessary services for the child; (3) Requires the departments of Social Services and Mental Health to jointly develop a financing plan to provide for the payment by the Department of Social Services for services provided to children who are returned to their parents' custody; (4) Requires the Department of Mental Health to develop a Comprehensive System Management Team to facilitate interagency cooperation and to assist the departments in developing strategies and ensuring positive outcomes for children who are served by the system; and (5) Allows the means test of the Department of Mental Health to be waived for a child in need of mental health services in order to avoid transfer of custody to the Children's Division.

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 Economic Development -
 Division of Professional Registration
Department of Mental Health
Department of Social Services
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



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Director
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