

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0334-02  
Bill No.: SB 56  
Subject: Mental Health; Mental Health Dept.; Disabilities  
Type: Original  
Date: January 24, 2011

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Bill Summary: Requires the Department of Mental Health to develop a transition plan for services of residents of state developmental disabilities facilities to the most appropriate setting.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>
General Revenue	(Unknown greater than \$100,000) to Unknown greater than \$100,000	Unknown greater than \$100,000	Unknown greater than \$100,000
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>(Unknown greater than \$100,000) to Unknown greater than \$100,000</b>	<b>Unknown greater than \$100,000</b>	<b>Unknown greater than \$100,000</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

☒ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☒ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

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## **FISCAL ANALYSIS**

### **ASSUMPTION**

Officials from the **Department of Mental Health (DMH)** state this legislation requires the DMH to develop a transition plan for services of residents of state developmental disabilities facilities, including intermediate care facilities for the mentally retarded, to the most integrated settings appropriate for their needs. It requires the DMH to contract with a reputable independent third party to conduct a study and develop a plan which identifies mechanisms to serve people currently living in state institutions in the community. This plan is to be submitted to the Governor, the Senate Appropriations Committee, the House Health, Mental Health, and Social Services Appropriations Committee, the House Budget Committee, and the Developmental Disabilities Advisory Council. The plan is also to include a proposed schedule for implementation with a goal of shifting the provision of services for every resident by January 1, 2018. The bill also stipulates that any plans started after August 28, 2011, to build or renovate state-owned facilities shall not be implemented, entered into contract to construct, or put out for bid until the completion of the plan.

The fiscal impact of this legislation is an unknown, greater than \$100,000 cost for development of the plan and an unknown, greater than \$100,000 savings for the eventual transitioning of clients from the habilitation center settings into the community-based settings assuming implementation of the study's recommendations/plan. Each client transitioned from a habilitation center bed to a community-based setting will save, on average, \$75 of General Revenue per day. The DMH is submitting an unknown, greater than \$100,000 savings because until the implementation plan is completed, the Department is unable to estimate exactly how many clients will transition each year.

<u>FISCAL IMPACT - State Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
<b>GENERAL REVENUE</b>			
<u>Savings - DMH</u>			
Clients transitioned from habilitation centers to community-based settings	Unknown greater than \$100,000	Unknown greater than \$100,000	Unknown greater than \$100,000
<u>Costs - DMH</u>			
Contract costs for study	<u>(Unknown greater than \$100,000)</u>	<u>\$0</u>	<u>\$0</u>
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>	<u><b>(Unknown greater than \$100,000) to Unknown greater than \$100,000</b></u>	<u><b>Unknown greater than \$100,000</b></u>	<u><b>Unknown greater than \$100,000</b></u>
<u>FISCAL IMPACT - Local Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
	<u><b>\$0</b></u>	<u><b>\$0</b></u>	<u><b>\$0</b></u>

FISCAL IMPACT - Small Business

The proposal may impact small business community-based developmental disabilities facilities if the DMH transitions clients from state-owned habilitation facilities to these facilities.

FISCAL DESCRIPTION

This proposal requires on or before December 31, 2012, the Department of Mental Health to submit a plan for transitioning the provision of services for residents of state developmental disabilities facilities, including intermediate care facilities for the mentally retarded, to the most integrated settings appropriate to their needs. Upon completion, the plan shall be submitted to the Governor, the Senate Appropriations Committee, the House Health, Mental Health and Social Services Appropriations Committee, the House Budget Committee and the Developmental Disabilities Advisory Council.

FISCAL DESCRIPTION (continued)

While developing the plan, the department shall contract with a reputable independent third party to conduct a study and develop a plan identifying mechanisms to serve persons currently living in state institutions in the community. The plan shall also make certain recommendations and identify items as outlined in this proposal including containing recommendations for each resident identifying:

- (1) Services in the most integrated setting appropriate for each resident in the community of his or her choice;
- (2) The cost of providing necessary services in community settings for each individual;
- (3) Barriers that prohibit the individual from being served in the community; and
- (4) A timetable for making the transition.

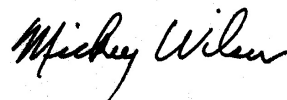
The plan shall include recommendations for permanent full-time state employees working at such facilities and alternative uses for state-owned facility property. The plan shall also include a proposed schedule for implementation of the plan with the goal of shifting provision of services to the community for every resident by January 1, 2018.

All long term admissions to state run intermediate care facilities for the mentally retarded shall cease upon the effective date of this proposal. Any plans started after August 28, 2011, to build or renovate state-owned facilities shall not be implemented, entered into contract to construct, or put out for bid until the completion of the plan.

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



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Director

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