

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

BILL NUMBER: House Bill 298

SHORT TITLE: Inpatient Commitment/Conditional Release/AB

SPONSOR(S): Representative Joe Hackney

FISCAL IMPACT					
	Yes (X)	No()	No Estimate Available (X) (Judicial Department)		
	<u>FY 1999-00</u>	<u>FY 2000-01</u>	<u>FY 2001-02</u>	<u>FY 2002-03</u>	<u>FY 2003-04</u>
REVENUES	219,630	922,396	967,765	1,016,943	1,067,719
EXPENDITURES	973,000	4,086,400	4,290,800	4,505,200	4,730,000
APPROPRIATIONS	\$753,370	\$3,164,004	\$3,323,035	\$3,488,257	\$3,662,281
POSITIONS:	N/A				
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: Department of Health and Human Services (Division of Mental Health, Developmental Disabilities, Substance Abuse Services) and Administrative Office of the Courts (Clerks of Superior Court, District Court and Indigent Defense)					
EFFECTIVE DATE: January 1, 2000 (except Section 6 which is effective when the bill becomes law).					

BILL SUMMARY: Amends G. S. 122C-277 to add new subsections which allow for the release of clients from State psychiatric hospitals back to the community under certain conditions. Authorizes the conditional release of a patient for a period not to exceed the remainder of the period of inpatient commitment only after an individualized treatment plan has been developed and an area mental health authority has consented to administer it.

Amends G. S. 122C-273 to place responsibility for patients conditionally released with area mental health authorities, including return to a 24-hour facility if necessary.

Amends 122C-274 to provide for supplemental court hearings regarding the revocation or continuation of conditional release.

Amends 122C-210.1 to add a “good faith” requirement for immunity from civil liability.

Amends G. S. 122C-3(11)(b) to expand the definition of “dangerous to others,” to include a reasonable probability that the patient with a history of dangerous behavior will not comply with medications and will abuse alcohol or other drugs.

ASSUMPTIONS AND METHODOLOGY:

Department of Health and Human Services:

House Bill 298 allows for the conditional release of patients from state psychiatric hospitals to area mental health authorities. The bill imposes specific treatment and support requirements as a condition of release, but provides no additional financial support to area mental health authorities. The projected cost of implementation of HB 298 will be determined by individual area programs’ decisions to accept responsibility to provide specific treatment and monitor patient progress within *current resources*. Given the number of “unknowns” at this point, projections could range from \$0 to a high of \$3.9M. Thus, the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities and Substance Abuse Services has supplied the following assumptions to attempt to give legislators some indication of cost:

- 1) Approximately 400 individuals are estimated to be “eligible” for conditional release;
- 2) Each individual will require weekly contact with a mental health professional/case manager (estimated at a cost of \$85/hour);
- 3) Each individual will require monthly contact with a physician (estimated at a cost of \$85/hour);
- 4) Area mental health authorities will provide medications and other support services (estimated at \$3,600/year/patient for medications and \$1,200/year for other supports such as housing and food);
- 5) Approximately 40% of patients are Medicaid eligible and the federal government will cost share 62.87%;
- 6) Approximately 35.63% of the total cost of Medicaid eligibles will be borne by the state;
- 7) Approximately 1.5% of the total cost of Medicaid eligibles will be borne by counties
- 8) Estimated costs will grow at approximately 5% each year; and
- 9) Area authorities do not currently have the necessary resources to comply with specific treatment plans and the projected average cost.

FIVE -YEAR FISCAL IMPACT

Item	Year 1	Year 2	Year 3	Year 4	Year 5
EXPENDITURES:					
Weekly Contact with Provider (\$85/hour x 52 weeks)	442,000	1,856,400	1,949,200	2,046,800	2,149,200
Monthly Contact with M.D. (\$85/hour x .5 x 12 months)	51,000	214,000	224,800	236,000	247,600
Purchase of Medications (\$300/month x 12 months)	360,000	1,512,000	1,587,600	1,666,800	1,750,000
Other Supports (1,200/year)	120,000	504,000	529,200	555,600	583,200
TOTAL:	\$973,000	\$4,086,400	\$4,290,800	\$4,505,200	\$4,730,000
REVENUES:					
Federal/Medicaid	214,512	900,902	945,213	993,245	1,042,838
County Medicaid Match	5,118	21,494	22,552	23,698	24,881
NET State Appropriations	\$753,370	\$3,164,004	\$3,323,035	\$3,488,257	\$3,662,281

Administrative Office of the Courts:

The Administrative Office of the Courts (AOC) estimates that there could be a substantial fiscal impact from the implementation of HB 298 but adequate data from which to provide specific estimates does not exist. To the extent that large numbers of clients are given conditional release, there could be a substantial impact on the court system. However, based on DHHS information, limited resources may constrain the ability of area programs to accept treatment and monitoring responsibilities of these conditionally released clients. DHHS projects, given additional resources, approximately 400 clients statewide could be placed on conditional release at any given time.

When and to the extent conditional release is implemented by DHHS and local area mental health authorities, additional court resources would be needed for both the clerks and the additional court time to accommodate the new revocation hearings.

TECHNICAL CONSIDERATIONS: None.

FISCAL RESEARCH DIVISION 733-4910

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DATE: Monday, April 05, 1999



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