

Multiple Agency Fiscal Note Summary

Bill Number: 1450 2S HB	Title: Mental health/inv outpatient
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Estimated Cash Receipts

Agency Name	2015-17		2017-19		2019-21	
	GF- State	Total	GF- State	Total	GF- State	Total
Department of Social and Health Services	0	7,812,000	0	10,416,000	0	10,416,000
Total \$	0	7,812,000	0	10,416,000	0	10,416,000

Estimated Expenditures

Agency Name	2015-17			2017-19			2019-21		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Administrative Office of the Courts	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Department of Social and Health Services	.0	12,341,000	20,153,000	.0	16,454,000	26,870,000	.0	16,454,000	26,870,000
Total	0.0	\$12,341,000	\$20,153,000	0.0	\$16,454,000	\$26,870,000	0.0	\$16,454,000	\$26,870,000

Local Gov. Courts *	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Loc School dist-SPI									
Local Gov. Other **	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Local Gov. Total									

Estimated Capital Budget Impact

NONE

Prepared by: Danielle Cruver, OFM	Phone: (360) 902-0575	Date Published: Preliminary 3/10/2015
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* See Office of the Administrator for the Courts judicial fiscal note

** See local government fiscal note

ENPID: 40594

FNS029 Multi Agency rollup

Judicial Impact Fiscal Note

Bill Number: 1450 2S HB	Title: Mental health/inv outpatient	Agency: 055-Admin Office of the Courts
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

Account	FY 2016	FY 2017	2015-17	2017-19	2019-21
Counties					
Cities					
Total \$					

Estimated Expenditures from:

Non-zero but indeterminate cost. Please see discussion.

The revenue and expenditure estimates on this page represent the most likely fiscal impact. Responsibility for expenditures may be subject to the provisions of RCW 43.135.060.

Check applicable boxes and follow corresponding instructions:

- ☐ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☒ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.

Legislative Contact: Andy Toulon	Phone: 360-786-7178	Date: 03/03/2015
Agency Preparation: Susan Arb	Phone: 509-453-8135	Date: 03/04/2015
Agency Approval: Ramsey Radwan	Phone: 360-357-2406	Date: 03/04/2015
OFM Review: Cheri Keller	Phone: 360-902-0563	Date: 03/04/2015

Request # 1450 2SHB-1

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact on the Courts

This bill would create an outpatient treatment alternative for persons “in need of assisted outpatient mental health treatment” where they do not present a likelihood of serious harm or are gravely disabled. 2SHB 1450 would have essentially the same impact on the courts as SHB 1450 would have.

Sections with potential court impact:

Unless otherwise mentioned, the section descriptions are the same for both SHB 1450 and 2SHB 1450.

Sections 1 and 2 would amend RCW 71.05.020 to create a new definition for “in need of assisted outpatient mental health treatment” and “assisted outpatient mental health treatment.”

Section 3 would amend RCW 71.05.150 to create the procedure for filing a petition for assisted outpatient mental health treatment. This section is amended in 2SHB 1450 to clarify that an emergency room may release a person who is subject to this petition when the medical treatment is finished.

Section 6 would amend RCW 71.05.230 to change the current 14-day detention for treatment to a 14-day commitment for treatment. If the petition seeks an involuntary less restrictive alternative to treatment, the court may find that the person is in need of assisted outpatient mental health treatment instead if the person does not present a likelihood of serious harm or is gravely disabled. The court may not order inpatient treatment without a finding of likelihood of serious harm or grave disability.

Section 7 would amend RCW 71.05.240 to provide that the court may not order inpatient treatment without a finding of likelihood of serious harm or grave disability. It would also require the order to identify the services that the person will receive.

Section 8 would amend RCW 71.05.245 to direct that the court consider the person’s current and prior condition when determining whether the person is in need of assisted outpatient mental health treatment.

Section 9 would amend RCW 71.05.280 to allow the court to confine a person who has finished the 14-day intensive treatment, where the person is in need of assisted outpatient mental health treatment.

Section 10 would amend RCW 71.05.290 to allow a petition for an assisted outpatient mental health treatment order during a person’s 14-day intensive treatment period.

Section 11 and 12 would amend RCW 71.05.300 to allow the court to appoint a professional person to assist the detained person in seeking a less restrictive alternative to assisted outpatient mental health treatment.

Section 13 would amend RCW 71.05.320 to allow the court to only order an appropriate less restrictive course of treatment for no more than 180 days where the court or jury finds the person is only in need of assisted outpatient mental health treatment. This section would also require the order to identify the services that the person will receive. 2SHB 1450 would also allow the court to order 1 year of less restrictive treatment or assisted outpatient mental health treatment when the person’s previous commitment term was for intensive inpatient treatment in a state hospital.

Section 14 would amend RCW 71.05.340 to allow revocation of an assisted outpatient mental health order using the same procedures as for revocation of a less restrictive treatment order. However, if inpatient treatment is sought, a new petition under RCW 71.05.150 would need to be filed. 2SHB 1450 would instruct the court on the evidence to consider in this hearing.

Sections 15 and 16, new to 2SHB 1450, would amend RCW 71.05.730 to allow a county to apply for reimbursement for the costs of the new assisted outpatient mental health treatment action.

Section 17, formerly section 15 in SHB 1450, would add a new statute to chapter 71.05 RCW to require that an assisted outpatient mental health treatment order be terminated prior to expiration if the person voluntarily accepts treatment or no longer needs treatment.

Section 20 would nullify the act if specific funding is not provided by June 30, 2015. This section is new to 2SHB 1450.

II. B - Cash Receipts Impact

There is no revenue expected as a result of this bill.

II. C - Expenditures

Based upon information provided and input from the courts, it is assumed that there could be a financial impact to the superior courts statewide from the amendments and provisions in this bill. However, there is no judicial data available to estimate the number of new cases which may be filed as a result of this bill, and therefore we cannot estimate the full impact this bill would have if passed.

Mental health cases each take between ten minutes (for the least contested hearings) and several hours (for highly contested hearings) of court time. In most of the highly contested cases, and in some of the less contested cases, the courts will appoint a professional person, or expert, to assist the detained person in seeking a less restrictive alternative to assisted outpatient mental health treatment. The cost to the courts each time a professional person is appointed can range from \$200 to \$500.

For the purposes of this note, we assume that the cases will take an average of 20 minutes each. We also assume that the courts will appoint a professional person in 25% of the cases filed, and each will cost the court \$350. Unfortunately, without any data to estimate the number of cases which will be filed, we cannot give an accurate assessment of the financial impact to the courts. The total number of involuntary mental illness and alcohol dependency cases filed statewide in the last 3 years averages 10,851 per year. Because this bill would bring to the courts a group of persons never before included, we cannot estimate the number of new cases which would be filed. For illustration, we can estimate the impact to the courts if we assume 100 cases are filed, or 500 cases are filed.

Number of cases filed: 100

New case filings cost to the courts – state: \$3,464

New case filings cost to the courts – counties: \$15,147

Expert costs – counties: \$8,750

Total costs – state: \$3,464

Total costs – counties: \$23,897

Total costs: \$27,361

Number of cases filed: 500

New case filings cost to the courts – state: \$17,318

New case filings cost to the courts – counties: \$75,753

Expert costs – counties: \$43,750

Total costs – state: \$17,318

Total costs – counties: \$119,485

Total costs: \$136,803

Again, these calculations are simply for illustration, as the true impact could be less or more than either of these estimates.

There is a finite amount of superior court judicial officer time available to hear cases throughout the state. Whenever additional caseload creates a need for additional judicial officers, the system absorbs that need. The system accommodates such changes partially by delaying criminal and juvenile cases and partly by lengthening the backlog for civil trials. Small increases in FTE need may be absorbed by the system, but there is a cumulative effect from multiple bills in a session or over a series of years that can result in a shortage of judges and commissioners relative to the judicial need expressed in caseload.

Part III: Expenditure Detail

Part IV: Capital Budget Impact

Individual State Agency Fiscal Note

Bill Number: 1450 2S HB	Title: Mental health/inv outpatient	Agency: 300-Dept of Social and Health Services
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2016	FY 2017	2015-17	2017-19	2019-21
General Fund-Federal 001-2	2,604,000	5,208,000	7,812,000	10,416,000	10,416,000
Total \$	2,604,000	5,208,000	7,812,000	10,416,000	10,416,000

Estimated Expenditures from:

	FY 2016	FY 2017	2015-17	2017-19	2019-21
Account					
General Fund-State 001-1	4,114,000	8,227,000	12,341,000	16,454,000	16,454,000
General Fund-Federal 001-2	2,604,000	5,208,000	7,812,000	10,416,000	10,416,000
Total \$	6,718,000	13,435,000	20,153,000	26,870,000	26,870,000

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☒ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact: Andy Toulon	Phone: 360-786-7178	Date: 03/03/2015
Agency Preparation: Ken Brown	Phone: 360-902-7583	Date: 03/09/2015
Agency Approval: Kelci Karl-Robinson	Phone: 360-902-8174	Date: 03/09/2015
OFM Review: Danielle Cruver	Phone: (360) 902-0575	Date: 03/10/2015

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

Sections 1 and 2: A new definition for “in need of assisted outpatient treatment” is added to RCW 71.05.020 that means that a person as a result of a mental disorder: has been committed by a court to detention for involuntary treatment at least twice in the last 36 months, or if currently committed, the person has been committed for involuntary mental health treatment at least once in the last 36 months from the initial date of the current commitment; and, in view of the person's treatment history or current behavior, the person is unlikely to voluntarily participate in outpatient treatment without an order for less restrictive treatment; and, outpatient treatment that would be provided under a less restrictive order is necessary to prevent a relapse, decompensation, or deterioration that is likely to result in the person presenting a likelihood of serious harm or the person becoming gravely disabled within a reasonably short period of time. The substitute bill adds a definition for "assisted outpatient mental health treatment" that at a minimum includes, care coordination, an intake evaluation, a psychiatric evaluation, medication management, scheduled treatment services, a transition plan, and an individual crisis plan. The treatment may also include psychotherapy, nursing, substance abuse counseling, and support for housing, benefits, education, and employment.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

Title XIX Medicaid

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

The bill adds a definition to RCW 71.05.020 for “in need of assisted outpatient treatment” that means that a person as a result of a mental disorder: (a) has been committed by a court to detention for involuntary treatment at least twice in the last 36 months, or if currently committed, the person has been committed for involuntary mental health treatment at least once in the last 36 months from the initial date of the current commitment; (b) in view of the person's treatment history or current behavior, the person is unlikely to voluntarily participate in outpatient treatment without an order for less restrictive treatment; and, (c) outpatient treatment that would be provided under a less restrictive order is necessary to prevent a relapse, decompensation, or deterioration that is likely to result in the person presenting a likelihood of serious harm or the person becoming gravely disabled within a reasonably short period of time. Currently, 1,996 individuals had two or more 14 day commitments in the last 36 months. In addition, 3,245 individuals had non-forensic discharges from the state hospital in the last 36 months. Of the 5,241 individuals that meet the first part (a) of the definition for "in need of assisted outpatient treatment", it is very difficult to project the number of individuals who (b) are unlikely to voluntarily participate in outpatient treatment and (c) outpatient treatment would prevent a relapse; therefore, the fiscal note is indeterminate.

For illustrative purposes, a low estimate of 1,048 cases (20 percent) and a high estimate of 1,572 cases (30 percent) is provided. The high range is displayed in the expenditures section of this fiscal note. It is assumed that it will take time for the program to be fully implemented, so cost estimates are assumed to be half the cost in the first year.

1st 90 Day Outpatient Mental Health Services Costs:

The clients receiving outpatient services will require treatment services for three months. This includes an intake evaluation, individual treatment services four times a week, medication management once a month, and medication monitoring once per week. The cost of these services for 1,048 cases in Year 1 is \$4,295,000 and for 1,572 cases is \$6,442,000. The cost of these services for 1,048 cases in Year 2 and ensuing years is \$8,590,000 and for 1,572 cases is \$12,884,000.

Evaluation and Treatment (E&T) Offset Costs:

It is assumed that without this legislation 25 percent of the patients would have been detained in an evaluation and treatment facility for an average length of stay of 13.6 days. Therefore, the outpatient services would be offset by the cost of the evaluation and treatment facility costs. The E&T offset cost for 25 percent of the cases in the first year is (\$1,426,000) for the low estimate and (\$2,138,000) for the high estimate. The E&T offset cost in ensuing years is (\$2,851,000) for the low estimate and (\$4,277,000) for the high estimate.

Assuming 12 percent of individuals that enter an E&T are admitted to the state hospital for an average stay of 152 days, the high estimate results in a potential savings of 19 hospital beds at full implementation. Given the many unknowns to the impact of this legislation, the department does not propose to close a ward at this time, but will come back in future budget requests if the hospital demand goes down as a result of this legislation.

2nd 90 Day Outpatient Mental Health Services Costs:

This bill allows a second order of outpatient treatment for 90 days. Based on current Involuntary Treatment Act data, it is assumed that 15 percent of individuals will be ordered a second 90 days of outpatient treatment. Assuming individual treatment services four times a week, medication management once a month, and medication monitoring once per week, the low estimate would be 157 clients in Year 1 at a cost of \$631,000 and the high estimate would be 236 clients at a total cost of \$947,000. The cost of these services for 157 cases in Year 2 and ensuing years is \$1,263,000 and for 236 cases is \$1,894,000.

Outpatient and E&T services fund split is assumed to be 58 percent GF-State and 42 percent GF-Federal.

Regional Support Network (RSN) State Only Court Costs: Total costs for 1,048 cases x \$600 average court costs in Year 1 are \$315,000 and for 1,572 cases x \$600 average court costs is \$471,000. Total costs for 1,048 cases x \$600 average court costs in Year 2 and ensuing years are \$629,000 and for 1,572 cases x \$600 average court costs is \$943,000. The second initial 90 days of service in Year 1 for 157 cases is \$47,000 and for 236 cases is \$70,000. The second initial 90 days of service in Year 2 for 157 cases is \$94,000 and for 236 cases is \$141,000. These costs are all GF State.

Average Transportation State Only Costs: 33 percent of the 1,048 cases x \$280 transportation (30 miles at \$5.04 plus \$130 basic life support ambulance) in Year 1 is \$48,000 and for 1,572 cases is \$73,000. The cost of these services for 1,048 cases in Year 2 and ensuing years is \$97,000 and for 1,572 cases is \$145,000. The second initial 90 days of service in Year 1 for 157 cases is \$7,000 and for 236 cases is \$11,000. The second initial 90 days of service in Year 2 for 157 cases is \$15,000 and for 236 cases is \$22,000. These costs are all GF State.

DMHP Costs:

It is assumed that a DMHP would be required to monitor the progress of these cases for an average of an hour per month for three months. In addition, the second 90 day treatment would require developing a petition that would take 3 hours to complete. The total DMHP cost for the low estimate in Year 1 is \$102,000 and the high estimate

is \$153,000. The total DMHP cost for the low estimate in Year 2 is \$204,000 and the high estimate is \$307,000. DMHP costs are all GF-State.

Substance Abuse Services:

The substitute allows substance abuse counseling to be a part of the assisted outpatient mental health treatment. It is assumed that 39 percent of the cases would have co-occurring disorders and need an assessment. It is further assumed that 58 percent of those referred for an assessment would need intensive outpatient services. The fund split for substance abuse services is assumed to be 42 percent GF-State; 58 percent GF-Federal. The total cost including the assessment, urinary analysis and treatment for the low estimate in Year 1 is \$460,000 (\$193,000 GF-State) and the total cost for high estimate is \$688,000 (\$289,000 GF-State). The total cost in Year 2 is \$921,000 (\$387,000 GF-State) and the total cost for high estimate is \$1,374,000 (\$577,000 GF-State).

The total high range estimate for this bill in Year 1 is \$6,718,000 (\$4,114,000 GF-State) and in Year 2 is \$13,435,000 (\$8,227,000) and is displayed in the fiscal note.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2016	FY 2017	2015-17	2017-19	2019-21
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Professional Service Contracts					
E-Goods and Other Services					
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services	6,718,000	13,435,000	20,153,000	26,870,000	26,870,000
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total:	\$6,718,000	\$13,435,000	\$20,153,000	\$26,870,000	\$26,870,000

III. C - Expenditures By Program (optional)

Program	FY 2016	FY 2017	2015-17	2017-19	2019-21
Mental Health (030)	6,030,000	12,061,000	18,091,000	24,122,000	24,122,000
Alcohol and Substance Abuse (070)	688,000	1,374,000	2,062,000	2,748,000	2,748,000
Total \$	6,718,000	13,435,000	20,153,000	26,870,000	26,870,000

Part IV: Capital Budget Impact

NONE

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

None

SHB 1450 (47)(iii) Substance Abuse Counseling
CD Program 070 Costs

	1st 90 Days of Care	
	Low	High
MH Clients Receiving Assisted Outpatient Services	1,048	1,572
% Co-occurring disorders with Clinical Indicators	39%	39%
MH Clients Referred to a CD provider for Assessment	409	613

Assessment	Per Assessment		
Total Assessment Cost		\$ 132.45	\$ 54,145 \$ 81,218

% Needing Treatment Plan based on Assessment outcome	58%	58%
Clients with a Treatment Plan for Intensive Outpatient	238	356

Treatment	Unit Costs	Frequency		
Urinary Analysis (UA)	\$ 10.05	8	\$ 19,168	\$ 28,595
	Unit Costs	Hourly		
Treatment - Intensive Outpatient Group	\$ 332.40	9	\$ 713,218	\$ 1,063,975
Treatment - Intensive Outpatient Individual	\$ 88.60	1	\$ 21,123	\$ 31,511

1st 90 Days of Care	Total Cost - Assessment		\$ 54,145	\$ 81,218
	Total Cost - Treatment		\$ 753,509	\$ 1,124,081
	Grand Total		\$ 807,654	\$ 1,205,299
	GF-S	42%	\$ 339,215	\$ 506,225
	GF-F	58%	\$ 468,439	\$ 699,073
1st 90 Days of Care	Total		\$ 807,654	\$ 1,205,299

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	2nd 90 Days of Care	
	Low	High
% of Patients Needing additional 90 days of Treatment	15%	15%
Clients with a Treatment Plan for Intensive Outpatient	36	53

Treatment	Unit Costs	Frequency		
Urinary Analysis (UA)	\$ 10.05	8	\$ 2,875	\$ 4,289
	Unit Costs	Hourly		
Treatment - Intensive Outpatient Group	\$ 332.40	9	\$ 106,983	\$ 159,596
Treatment - Intensive Outpatient Individual	\$ 88.60	1	\$ 3,168	\$ 4,727

2nd 90 Days of Care	Total Cost - Treatment		\$ 113,026	\$ 168,612				
	Grand Total		\$ 113,026	\$ 168,612				
	GF-S	42%	\$ 47,471	\$ 70,817	\$ 193,343	\$ 288,500	\$ 386,686	\$ 577,000
	GF-F	58%	\$ 65,555	\$ 97,795	\$ 266,997	\$ 398,500	\$ 533,995	\$ 797,000
2nd 90 Days of Care	Total		\$ 113,026	\$ 168,612	\$ 460,340	\$ 687,000	\$ 920,681	\$ 1,374,000

2SHB 1450**MH Program 030 Costs****Mental Health Involuntary Outpatient**

			1st 90 Days of Care	
1st Initial 90 Days			Low	High
Est. Number Receiving Outpatient Services			1,048	1,572
	Unit Costs	Frequency		
Intake Evaluation	\$ 171.01	Once	\$ 179,253	\$ 268,879
Services:	Unit Costs	Frequency		
Individual Treatment Services	\$ 123.64	4 times week	\$ 6,220,774	\$ 9,331,160
Medication Management	\$ 182.71	once a month	\$ 574,550	\$ 861,825
Medication Monitoring	\$ 128.39	weekly	\$ 1,614,941	\$ 2,422,411
	Unit Costs	Frequency		
Transportation	\$ 280.00	Once	\$ 96,854	\$ 145,281
Judicial	\$ 600.00	Once	\$ 628,920	\$ 943,380
	Unit Costs	Frequency		
DMHP Additional Costs	\$ 50.00	1 hour a month	\$ 157,230	\$ 235,845
1a	Initial 90 Days of Care Total Cost		\$ 9,472,521	\$ 14,208,781

25 % of Individuals would Avoid a Detention			Low	High
E&T Facility Offset Cost - 1st Year	\$ 800.00	per day	\$ (1,425,552)	\$ (2,138,328)
E&T Facility Offset Cost - Ongoing	\$ 800.00	per day	\$ (2,851,104)	\$ (4,276,656)

			2nd 90 Days of Care	
2nd Initial 90 Days - 15% of the Initial Population			Low	High
Est. Number Receiving Outpatient Services			157	236
Services:	Unit Costs	Frequency		
Individual Treatment Services	\$ 123.64	4 times week	\$ 934,098	\$ 1,401,147
Medication Management	\$ 182.71	once a month	\$ 86,273	\$ 129,410
Medication Monitoring	\$ 128.39	weekly	\$ 242,496	\$ 363,744
	Unit Costs	Frequency		
Transportation	\$ 280.00	Once	\$ 14,543	\$ 21,815
Judicial	\$ 600.00	Once	\$ 94,437	\$ 141,656
	Unit Costs	Frequency		
DMHP Petition Time	\$ 50.00	3 hours one time	\$ 23,609	\$ 35,414
DMHP Additional Costs	\$ 50.00	1 hour a month	\$ 23,609	\$ 35,414
			23,609	35,414
2a	2nd 90 Days of Care Total Cost		\$ 1,419,066	\$ 2,128,600

Funding			Low	High
	GF-F		\$ 1,470,269	\$ 2,205,403
	GF-S		\$ 2,549,973	\$ 3,825,000
3a	Grand Total - Year 1 assumes 50% of total cost		\$ 4,020,241	\$ 6,030,362
	GF-F		\$ 2,940,538	\$ 4,410,806
	GF-S		\$ 5,099,945	\$ 7,650,000
3b	Grand Total - Year 2 and ongoing		\$ 8,040,483	\$ 12,060,806

LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

Bill Number: 1450 2S HB	Title: Mental health/inv outpatient
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Part I: Jurisdiction—Location, type or status of political subdivision defines range of fiscal impacts.

Legislation Impacts:

- ☐ Cities:
- ☒ Counties: Please see the Administrative Office of the Courts fiscal note for a discussion of court costs.
- ☒ Special Districts: Please see the DSHS fiscal note for costs for the regional support networks, designated mental health professionals, and other costs for assisted outpatient services.
- ☐ Specific jurisdictions only:
- ☐ Variance occurs due to:

Part II: Estimates

- ☐ No fiscal impacts.
- ☐ Expenditures represent one-time costs:
- ☐ Legislation provides local option:
- ☐ Key variables cannot be estimated with certainty at this time:

Estimated revenue impacts to:

None

Estimated expenditure impacts to:

Indeterminate Impact

Part III: Preparation and Approval

Fiscal Note Analyst: Alice Zillah	Phone: 360-725-5035	Date: 03/10/2015
Leg. Committee Contact: Andy Toulon	Phone: 360-786-7178	Date: 03/03/2015
Agency Approval: Steve Salmi	Phone: (360) 725 5034	Date: 03/10/2015
OFM Review: Danielle Cruver	Phone: (360) 902-0575	Date: 03/10/2015

Part IV: Analysis

A. SUMMARY OF BILL

Provide a clear, succinct description of the bill with an emphasis on how it impacts local government.

CHANGES BETWEEN THIS AND PREVIOUS VERSION OF THE BILL:

The changes in the second substitute do not create impacts for local government beyond those discussed in the fiscal notes of the Department of Social and Health Services and the Administrative Office of the Courts.

SUMMARY OF THE BILL:

The bill defines "in need of assisted outpatient treatment" as a person who, as a result of a mental disorder: (a) has been committed for involuntary mental health treatment at least twice during a 36-month period; (b) is unlikely to voluntarily participate in outpatient treatment without an order for less restrictive treatment; and (c) outpatient treatment that would be provided under a less restrictive treatment order is necessary to prevent a relapse, decompensation, or deterioration.

A person meeting the definition of "in need of assisted outpatient treatment" may be committed by a court for involuntary mental health treatment on a less restrictive alternative to an inpatient order.

B. SUMMARY OF EXPENDITURE IMPACTS

Briefly describe and quantify the expenditure impacts of the legislation on local governments, identifying the expenditure provisions by section number, and when appropriate, the detail of expenditures. Delineate between city, county and special district impacts.

The legislation would result in increased costs for the 11 regional support networks (RSNs), which would likely see an increased caseload of persons referred for assisted outpatient treatment under the bill. Please see the fiscal note of the Department of Social and Health Services (DSHS) for a discussion of costs for the RSNs, designated mental health professionals, and other costs associated with assisted outpatient treatment.

Please see the fiscal note of the Administrative Office of the Courts for a discussion of court costs.

BACKGROUND

Counties administer, and in many cases deliver, out-patient and community in-patient mental health services for adults and children. Mental health services are currently funded through a combination of federal, state, local government, public and private hospital and private insurance funds. Counties, mostly through joint service agreements (11 Regional Support Networks or RSNs) manage a service system through pre-paid health plans for out-patient and in-patient mental health treatment paid for by the state (approximately 80 percent state and federal sources) and local funds (approximately 20 percent from earmarked county property taxes, sales tax and user fees). RSNs and their successor entities, Behavioral Health Organizations, are county authorities, groups of county authorities, or private companies contracted by the Department of Social and Health Services to administer mental health and other behavioral services in a defined region. Currently these entities are county-based in all areas of the state except Pierce County, in which case the entity is a private company. The state provides long term in-patient treatment for clients at three state-run hospitals. In addition, the state contracts with RSNs to provide a range of community inpatient and outpatient programs for Medicaid clients as well as some limited services to other low income clients who are not enrolled in Medicaid. RSNs, in turn, contract with and oversee providers or provide services themselves. This legislation is expected to increase expenditures for RSNs, though it does not require that RSNs fulfill those expenditure requirements by increasing the amount of local government funding they receive.

C. SUMMARY OF REVENUE IMPACTS

Briefly describe and quantify the revenue impacts of the legislation on local governments, identifying the revenue provisions by section number, and when appropriate, the detail of revenue sources. Delineate between city, county and special district impacts.

The legislation would have no revenue impact for local government.

SOURCES:

King County Regional Support Network
Peninsula Regional Support Network
North Sound Mental Health Administration
Department of Social and Health Services