

PREPARED BY: Sandy Sostad
 DATE PREPARED: February 12, 2018
 PHONE: 471-0054

LB 964

Revision: 00

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2018-19		FY 2019-20	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$1,344,000		\$1,344,000	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$1,344,000		\$1,344,000	

Any Fiscal Notes received from state agencies and political subdivisions are attached following the Legislative Fiscal Analyst Estimate.

LB 964 authorizes mental health professionals to take persons into emergency protective custody under the Mental Health Commitment Act as prescribed in the bill. Currently, mental health professionals who believe a person is mentally ill and dangerous or a dangerous sex offender may cause the person to be taken into custody and have a limited privilege to hold a person until law enforcement arrives to take custody.

The Department of Health and Human Services (HHS) estimates that additional persons will be placed in emergency protective custody (EPC) pursuant to the bill. The Division of Behavioral Health in HHS pays the cost of EPC's for individuals who do not have the ability to pay.

The percent increase in individuals who may be placed in EPC's by mental health professionals is unknown. HHS projects an increase in hospital based acute care as well as community-based services for persons placed in emergency protective custody by mental health professionals. A 5% to 10% increase in admissions, or 52 to 103 additional persons admitted for care, is estimated each year.

A 5% increase in the cost of inpatient commitments at hospitals will increase expenditures by \$250,000 of general funds. A 10% increase in the cost of community-based services for outpatient and medication management services will increase general fund expenditures by about \$1,094,000 each year.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 964 AM:	AGENCY/POLT. SUB: Department of Health and Human Services (DHHS)	
REVIEWED BY: Elton Larson	DATE: 2/7/2018	PHONE: (402) 471-4173
COMMENTS: DHHS estimate of fiscal impact to the department appears reasonable.		

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

State Agency or Political Subdivision Name:(2) Department of Health and Human Services

Prepared by: (3) Mike Michalski

Date Prepared: 1-16-18

Phone: (5) 471-6719

	<u>FY 2018-2019</u>		<u>FY 2019-2020</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	\$ 1,344,700		\$ 1,344,700	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$1,344,700		\$1,344,700	

Return by date specified or 72 hours prior to public hearing, whichever is earlier.

Explanation of Estimate:

LB 964 authorizes mental health professionals to take a person into emergency protective custody under the Nebraska Mental Health Commitment Act. The Department of Health and Human Services (DHHS) may experience an increase in costs if the number of individuals without alternative payer sources being committed to DHHS care increases. This would be seen in both hospital based acute care as well as the costs of community based services. If the number of individuals placed on an inpatient commitment to a community hospital increased by 5%, the resulting impact to the state would be approximately \$250,000. A 10% increase in outpatient commitments for outpatient and medication management services would be approximately \$1.1 million.

Service	Amount paid in	
	FY17 for Services	10% increase
Outpatient	\$8,750,633	\$875,603
Medication Management	\$2,192,972	\$219,297
		\$1,094,361
<u>Inpatient</u>	<u>FY17 total</u>	<u>5%</u>
Acute	\$2,541,779	\$127,089
Sub acute	\$10,755	\$538
IPPC	\$241,558	\$12,078
EPC	\$2,212,679	\$110,634
		\$250,339

Grand Total estimated additional costs = \$1,344,700.

By quarter, in FY2017, the Division of Behavioral Health had Emergency Protective Custody (EPC) admission counts of 1031, 884, 934 and 1057 for a total of 3906 or an average of 976 per quarter. Quarter 1 of FY18 saw 1059 EPC admissions. It is a conservative estimate of a 5%-10% (52 to 103 admissions) increase in EPC admissions because changing who can place persons under EPC other than law enforcement most likely will increase the number of admissions. EPC custody generally requires admission for crisis stabilization or utilization of acute care services, the highest level of care within the system.

The estimated fiscal impact to the Department of Health and Human Services is \$1,344,700.

MAJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES:

POSITION TITLE	NUMBER OF POSITIONS		2018-2019	2019-2020
	18-19	19-20	EXPENDITURES	EXPENDITURES
Benefits.....				
Operating.....				
Travel.....				
Capital Outlay.....				
Aid.....			\$1,344,700	\$1,344,700
Capital Improvements.....				
TOTAL.....			\$1,344,700	\$1,344,700