

Department of Planning and Budget 2013 Fiscal Impact Statement

1. Bill Number: SB 996

House of Origin ☐ Introduced ☐ Substitute ☒ Engrossed
Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron: Barker

3. Committee: Courts of Justice

4. Title: Temporary detention orders; duration

5. Summary: The amended bill requires that an involuntary mental commitment hearing be held within 72 hours after the execution of the temporary detention order. Under current law the hearing must be held within 48 hours after execution of the order. The bill contains a second enactment clause specifying the bill has an effective date of January 1, 2014. In addition, a third enactment clause requires a general fund appropriation in the general appropriation act, related to the purpose of this bill, in order for the bill to take effect.

6. Budget Amendment Necessary: Yes, Item 304.

7. Fiscal Impact Estimates: Preliminary.

Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2013	\$0	-	GF
2014	\$500,574	-	GF
2015	\$1,575,851	-	GF
2016	\$1,604,160	-	GF
2017	\$1,654,697	-	GF
2018	\$1,654,590	-	GF
2019	\$1,678,937	-	GF

8. Fiscal Implications: The amended bill would extend some of the inpatient hospital stays that are associated with the Temporary Detention Order (TDO) program and paid for by the Involuntary Commitment Fund. TDOs can start any day of the week and while some discharge dates do occur on weekend days most occur during the week, with added emphasis on Mondays, Wednesdays and Fridays. The Department of Medical Assistance Services (DMAS) analyzed the current discharge dates of those TDOs that are lasting for approximately 48 hours and made the following assumptions: (1) 75 percent of those starting on a Saturday and ending on a Monday will receive an extra day; (2) 90 percent of those starting on a Sunday and ending on a Tuesday will be admitted an extra day; (3) 75 percent of those ending on a Wednesday will get an extra day (4) 90 percent of those ending on a

Thursday will get an extra day; and (5) 10 percent of those TDOs ending on a Friday will get an extra three days, over the weekend. TDOs that currently have admission dates and discharge dates the same day, the following day, or longer than 48 hours due to a weekend or holiday are assumed not to receive any extra days. With these assumptions DMAS calculates an additional 11.4 percent increase in inpatient hospital bed days (11,781) and uses that as an estimate of the additional costs (Note: an assumption that every 48 hour TDO would get an extra day would have resulted in 17,030 additional inpatient hospital days).

Because of the lag between service dates and when the claims are paid, the full effect of the legislation would not be reached until three months after the start date of the proposed legislation, which is effective January 1, 2014. This lag is included in FY 2014 fiscal impact. The fiscal impact reflects the estimated impact on the Involuntary Commitment Fund of \$500,574 in FY 2014 and \$1,575,851 in FY 2015. The Involuntary Commitment Fund is responsible for reimbursing payments for acute care services for persons who have been involuntary detained under a TDO, and have no means to pay for the costs.

Potential Savings from Longer TDO Stays

The fiscal impact estimated in this statement only includes the TDO costs funded at DMAS. Some research has been done that indicates a longer length of a TDO stay may result in some offsetting cost savings in the total costs of care provided to an individual. A longer TDO stay may result in the release of an individual at their involuntary mental commitment hearing, because the longer period of time available to stabilize and evaluate the individual may reduce the need for further hospitalization or result in the need for less costly outpatient treatment.

A study specific to Virginia was completed that evaluated the impact on longer duration TDOs and the impact on post-TDO hospitalization¹. The study analyzed data from the courts system and Medicaid claims data. The results indicate that longer TDO stays are correlated with shorter post-TDO hospitalization stays. The study indicates that extending Virginia's TDO duration from 48 to 72 hours results in approximately one day shorter duration of a post-TDO hospitalization. Therefore, the fiscal impact of this bill is likely to be partially offset by reduced costs in Medicaid inpatient hospital costs.

While it is reasonable to assume that the fiscal impact to the Involuntary Commitment Fund would be partially offset as a result of the impact of this bill, there is not sufficient data to develop reasonable assumptions in order to develop cost estimates. There are two potential savings impacts from reduced post-TDO hospitalizations: Medicaid and state mental health hospitals.

¹ Wanchek TN, Bonnie RJ: Use of Longer Periods of Temporary Detention to Reduce Mental Health Civil Commitments. Psychiatric Services 63:643-648, 2012

The study referenced previously was used to extrapolate the estimated number of increased TDO days and the post-TDO hospitalization days that would be reduced as a result of increasing the duration of TDOs from 48 to 72 hours. However, that information includes all TDOs no matter who paid for the services. Medicaid is a smaller subset of the total TDOs as most individuals have private insurance or Medicare. Therefore, any reduction in post-TDO hospitalization days that are paid for by private health insurance or other non-Medicaid payers make up a significant amount of the potential savings that does not accrue to the state.

Data is not currently available on the total numbers of TDOs that are paid for by Medicaid so it is not possible to develop a reasonable estimate of the savings for the Medicaid program. However, one can draw the conclusion that since Medicaid is not the biggest payer that any savings is not likely to offset the cost of this bill on the Involuntary Commitment Fund. In addition, any Medicaid savings is shared 50/50 with the federal government, whereas the Involuntary Mental Commitment is 100 percent state funded. Further research of courts data cross referenced with Medicaid data might provide more insight into the potential savings, but until such research is completed no reasonable estimate can be determined.

State mental health hospitals operated by the Department of Behavioral Health and Developmental Services (DBHDS) provide post-TDO hospitalization care to individuals. However, the agency does not have data on TDO related hospitalizations that would help determine any impact from this bill. Nevertheless, since the state mental health hospitals often have waiting lists for services, reduced post-TDO hospitalizations may just be offset by other individuals with mental health needs resulting in no reduction in costs for state hospitals.

9. Specific Agency or Political Subdivisions Affected: Department of Medical Assistance Services and the Department of Behavioral Health and Developmental Services.

10. Technical Amendment Necessary: No.

11. Other Comments: HB 1680, introduced by Delegate Yost, is a similar bill.

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