

## **Department of Planning and Budget 2012 Fiscal Impact Statement - REVISED**

**1. Bill Number:** HB 1280

<b>House of Origin</b>	<input checked="" type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
<b>Second House</b>	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

**2. Patron:** Stolle

**3. Committee:** Courts of Justice

**4. Title:** Psychiatric hospital admissions; local inmates.

**5. Summary:** Amends the criteria for psychiatric inpatient admission for inmates at local correctional facilities to add mentally ill inmates for whom there exists a substantial likelihood that they will suffer serious harm due to their lack of capacity to protect themselves from harm or to provide for their basic human needs. Under current law the standard is that the mentally ill inmate will cause serious physical harm to himself or others as evidenced by recent behavior causing, attempting or threatening harm.

**6. Budget Amendment Necessary:** See item 8.

**7. Fiscal Impact Estimates:** Preliminary.

**8. Fiscal Implications:** This bill adds new language creating an additional alternative standard for determining the need for inpatient psychiatric care for mentally ill inmates at local correctional facilities. This has the effect of widening the standard, which will cause more people to meet the criteria for referral to psychiatric hospitals for emergency treatment. Under this new standard, the increased referrals would quickly fill up state facilities which operate at or near capacity already. Private hospitals rarely provide emergency treatment for these inmates, and are unlikely to meet the new demand for emergency treatment services created by this bill.

According to the State Compensation Board's "Mental Illness in Jails Report (November, 2011)", approximately 6,500 locally-held inmates have been identified or are suspected of having mental illness. Without actual experience, the number of individuals who would meet the new criteria is unknown. Additional clarification of the criteria to more specifically identify the population being targeted for inpatient services may reduce the number of individuals impacted by the legislation. For the purposes of this estimate, the Department of Behavioral Health and Developmental Services (DBHDS) assumes that one-third of those identified, or approximately 2,000 individuals, will meet the revised criteria.

The Department of Behavioral Health and Developmental Services has provided a range of possible costs of this legislation. Estimates were arrived at by making a number of assumptions about variables that will impact the costs of implementing the proposed language. The table

below shows these projections. The proposed change to the criteria would necessitate shifting inpatient care of civil patients from state facilities to private community hospitals, requiring additional community resources. The estimates assume that anywhere from five to fifteen percent of the individuals in jail that will meet the new criteria will be referred for inpatient care, shifting between 3,300 – 9,900 civil inpatient days to private facilities at a cost to the community of \$2,577,300 to \$7,731,900. Also, because private hospitals often refuse to accept the more challenging acute civil cases, the current shortage of psychiatric beds would become an even greater problem.

This bill will also generate additional costs to systems other than DBHDS. These include court costs associated with additional court hearings and independent examinations under §37.2-815, estimated at \$47,250 to \$141,750. Additional CSB costs associated with preadmission screening exams under §37.2-816, are estimated at \$22,500 to \$67,500. There may also be additional costs to law enforcement for transportation and security. The costs to these systems will be dependent on the number of new hearings.

<b>Estimated Impact at 5% Referral</b>	<b># of patients</b>	<b>Length of Stay</b>	<b>Total days</b>
Jail transfers to inpatient treatment	100	33	3,300
Average inpatient community cost /day to replace 3,300 total days for displaced civil patients			\$ 781
Increased inpatient community cost			\$ 2,577,300
Prescreening at 3hrs x \$75 / hour = \$225			\$ 22,500
Court Costs for commitment hearings at \$236.25/hearing x 2 hearings = \$472.50			\$ 47,250
<b>Estimated Impact at 5% Referral: Total</b>			<b>\$ 2,647,050</b>
<b>Estimated Impact at 15% Referral</b>	<b># of patients</b>	<b>Length of Stay</b>	<b>Total days</b>
Jail transfers to inpatient treatment	300	33	9,900
Average inpatient community cost /day to replace 9,900 total days for displaced civil patients			\$ 781
Increased inpatient community cost			\$ 7,731,900
Prescreening at 3hrs x \$75 / hour = \$225			\$ 67,500
Court Costs for commitment hearings at \$236.25/hearing x 2 hearings = \$472.50			\$ 141,750
<b>Estimated Impact at 15% Referral: Total</b>			<b>\$ 7,941,150</b>

**9. Specific Agency or Political Subdivisions Affected:** Department of Behavioral Health and Developmental Services; Community Services Boards; Courts.

**10. Technical Amendment Necessary:** No.

**Date:** 03/08/2012

**Document:** G:\FY2012\FIS\HB1280.doc

c: Secretary of Health and Human Resources