Department of Planning and Budget
2014 Fiscal Impact Statement

1. **Bill Number:** HB 241

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

2. **Patron:** Yost

3. **Committee:** Courts of Justice

4. **Title:** Temporary detention; time during which a person may be held

5. **Summary:** The bill provides that a person held pursuant to a temporary detention order shall be held for at least 24 hours but no more than 72 hours. Currently, a person may be held pursuant to a temporary detention order for up to 48 hours.

6. **Budget Amendment Necessary**: No, the introduced budget (HB/SB30) included funding of $1,418,880 GF in FY 2015 and $1,721,788 GF in FY 2016 in order to fund the impact of the changes proposed in this bill.

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

Expenditure Impact:

Fiscal Year	*Dollars*	*Positions*	*Fund*
2014	-	-	-
2015	$1,235,281	-	General Fund
2016	$1,954,474	-	General Fund
2017	$1,954,474	-	General Fund
2018	$1,954,474	-	General Fund
2019	$1,954,474	-	General Fund
2020	$1,954,474	-	General Fund

8. **Fiscal Implications:** This bill provides that a person held pursuant to a temporary detention order shall be held for at least 24 hours but no more than 72 hours. Currently, a person may be held pursuant to a temporary detention order for up to 48 hours.

The legislation 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, administered by the Department of Medical Assistance Services (DMAS). 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. DMAS analyzed the current discharge dates of those TDOs that are lasting for approximately 48 hours and made the following assumptions. Seventy-five percent of those starting on a Saturday and ending on a Monday will receive an extra day. Ninety percent of those starting on a Sunday and ending on a Tuesday will be admitted an extra day. Seventy-five percent of

those ending on a Wednesday will get an extra day. Ninety percent of those ending on a Thursday will get an extra day, and finally 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 due to the extension to 72 hours. With these assumptions DMAS calculates an additional 12.5 percent increase in inpatient hospital bed days and uses that as an estimate of 12.5 percent in additional costs.

TDO payments have longer lags between service dates and claims payments than typical claims. DMAS has assumed the full effect of the extension to 72 hours would not be reached until five months after the start date of the proposed legislation. This lag is included in the FY 2015 fiscal impact. The fiscal impact for the extension to 72 hours is calculated at $956,254 GF in FY 2015 and $1,560,554 GF in FY 2016. The out-years beyond FY 2016 assume no growth.

The bill also includes a 24 hour minimum for TDOs. Of TDOs that had discharge dates the day after the admission date, DMAS found that 39 percent had admission hours after 2:00 PM, meaning they were likely discharged before 24 hours. For the purposes of this estimate it is assumed that those TDOs would get an additional day in the hospital paid by the TDO fund. This would add approximately 740 days each year at a cost of $532 a day, including hospital and practitioner costs. Again the first year would have less cost due to claims lag. DMAS estimates the cost of the 24-hour minimum to be $279,027 GF in FY 2015 and $393,920 GF in FY 2016.

The fiscal impact estimate for FY 2015 is higher and the estimate for FY 2016 is lower than the funding included in the introduced budget. This is due to the fact that this fiscal impact statement is estimated based on the latest data available and the introduced budget was based on what was known during budget development. However, no budget amendment is necessary because the difference is well within the normal variation of expenditures for this program.

The Involuntary Commitment Fund is responsible for reimbursing payments for acute care services for persons who have been involuntary detained under a TDO. TDOs are also paid for Medicaid members who receive the TDO at a facility that can bill Medicaid for that service. These TDOs are paid out of the Medicaid program but are not able to be distinguished as TDO initiated expenditures. While there would likely be some increase in Medicaid expenditures it would be minimal, difficult to estimate and is not included in this estimate. Likewise studies have shown that subsequent care is reduced due to extended TDO care. DMAS cannot identify any reduction in subsequent Medicaid expenditures and this effect has not been included in this estimate.

9. Specific Agency or Political Subdivisions Affected: Department of Medical Assistance Services.

10. Technical Amendment Necessary: No.

11. Other Comments: SB 115, SB 424, HB 479, and HB 1125 are identical bills.