

Department of Planning and Budget 2022 Fiscal Impact Statement

1. **Bill Number:** HB105

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

2. **Patron:** Rasoul

3. **Committee:** Committee Referral Pending

4. **Title:** Catawba Hospital; DBHDS to study feasibility of transforming into substance abuse treatment, etc.

5. **Summary:** Directs the Department of Behavioral Health and Developmental Services to study the feasibility of transforming Catawba Hospital into a facility at which a continuum of substance abuse treatment and recovery services, including long-term, short-term, acute, and outpatient services, is provided in addition to the array of behavioral health and other services currently provided to geriatric individuals in need of mental health care, and to identify state hospitals in other regions of the Commonwealth that may be appropriate for transformation into facilities at which a continuum of such services is provided in addition to the array of behavioral health and other services currently provided to individuals in need of mental health care. The Department shall report its findings, conclusions, and recommendations to the Governor and the Chairmen of the Senate Committees on Education and Health and Finance and Appropriations and the House Committees on Appropriations and Health, Welfare and Institutions by December 1, 2022.

6. **Budget Amendment Necessary:** Yes, Item 311.

7. **Fiscal Impact Estimates:** See 8 below.

8. **Fiscal Implications:** This legislation would require the Department of Behavioral Health and Developmental Services (DBHDS) to conduct a large scale study on the feasibility of transforming Catawba Hospital into a facility that will serve individuals with substance use and recovery services while preserving the services provided to geriatric patients in need of mental health care.

1. **Analysis of the need for substance abuse treatment and recovery services in the Southwest region of the Commonwealth, including the unique need for services among pregnant women, individuals with physical and sensory disabilities, and those with co-occurring substance use disorder and other health disorders with unique needs.** While some of this data may exist in-house, DBHDS states that not all of the data is available and there may be costs associated with gathering this data as part of a contract.

2. **Identification of the components of a redesigned facility necessary to meet the needs identified above, while also continuing to provide the array of behavioral health and other services currently provided to geriatric individuals in need of mental health care.** While other studies for DBHDS services have cost \$250,000 - \$500,000, adding in the architectural and engineering component will add additional costs, thus DBHDS estimates that hiring a contractor to complete these tasks will cost \$750,000.
3. **Identification of legislative, regulatory, or budgetary actions necessary to establish and operate substance abuse treatment and recovery services to meet the needs identified in the legislation.** This task can be completed with existing DBHDS resources.
4. **An assessment of start-up and operating costs to support the delivery of substance abuse treatment and recovery services at a transformed Catawba Hospital.** This task can be done with existing resources once a contractor has completed the analysis for service and facility needs.
5. **An assessment of community receptivity to and support for the transformation of Catawba Hospital into a facility at which a continuum of substance abuse treatment and recovery services is provided in addition to the array of behavioral health and other services currently provided to geriatric individuals in need of mental health care.** DBHDS estimates the cost of this to be approximately \$5,000. Existing resources should be sufficient for this cost.

Overall, the cost of all the requirements of this study are estimated at a minimum of \$750,000. While the introduced budget includes \$1.0 million for a comprehensive study of the mental health system and some of the issues in this legislation may overlap, the study required by the introduced budget does not require the level of architectural and engineering detail that would be necessary to redesign a facility. Additional funds, including for the costs of treatment for existing or future patients, would be required if a project to renovate and repurpose the facility were pursued as a result of the study.

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

10. Technical Amendment Necessary: No.

11. Other Comments: None.