

FISCAL NOTE

SB 545 - HB 1971

April 18, 2005

SUMMARY OF BILL: Prohibits any state agency or official from spending any state or federal funds or initiating or administering any program or mental health tests or screenings of children under the President's New Freedom Commission on Mental Health or any other federal mental health program unless there is specific state legislation authorizing such activity. Prohibits an employee of a local education agency from recommending that a student use a psychotropic drug, suggesting any mental health diagnosis, or using a parent's refusal to consent to the administration of a psychotropic drug or to psychiatric evaluation as a grounds for prohibiting the child from attending class or school activities or as the basis of child abuse or neglect.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact - Could jeopardize \$8.1 million in federal funding under the Community Mental Health Services block grant. By prohibiting any expenditure of state or federal funds under Medicaid for mental health screenings of children under EPSDT, potentially places the state in violation of the John B. Consent Decree and subject to significant penalties of both state and federal funds estimated to exceed \$3,000,000.

Assumptions:

- The Community Mental Health Services (CMHS) block grant requires the provision of services to severely and persistently mentally ill adults and to seriously emotionally disturbed (SED) children. Grantees could not provide services under CMHS block grant to SED children without first screening such children in order to determine if, in fact, they met the SED criteria. Periodic retesting and reassessments are an integral part of any mental health treatment modality.
- Medicaid and Medicare violations will result in the loss of federal matching funds for TennCare which are currently at a 64.81% match rate.
- Failure to comply with the John B. Consent Decree could result in an increase in state expenditures for court and settlement costs which would exceed \$1,000,000.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director