

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 180 - HB 174

February 20, 2013

SUMMARY OF BILL: Requires misdemeanor charges to be retired within a year of a defendant being found incompetent to stand trial. Removes reporting requirement of mental facility where defendant is being hospitalized after charges are retired.

ESTIMATED FISCAL IMPACT:

Decrease State Revenue – \$204,300

Decrease Local Expenditures – \$241,200

Funding for this bill in the amount of \$204,400 is included in the Governor's proposed FY13-14 budget.

Assumptions:

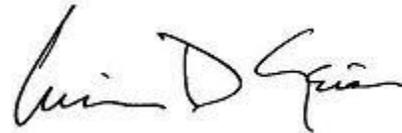
- Counties are responsible for paying the actual costs of evaluation and inpatient treatment for misdemeanants who are found incompetent to stand trial. On average, counties pay a per diem of \$450 to regional mental health institutes (RMHIs).
- In FY11-12, there were 26 misdemeanants in RMHIs averaging a stay of 70.2 days. It is assumed that the bill would result in courts retiring the misdemeanor charges shortly after the misdemeanant is found incompetent as retired charges are not dismissed with prejudice. The District Attorney can reinstate the charges again after the misdemeanant becomes competent again.
- According to the Department of Mental Health and Substance Abuse Services (DMHSAS), the courts will retire the charges for eight incompetent misdemeanants per year within three days of such misdemeanants being determined incompetent to stand trial. Counties would still pay for the lag between the finding of incompetence and the court retiring the charges (8 patients x 3 days = 24 days).
- Counties are not responsible for the misdemeanants after their charges are retired. The counties will be relieved from paying for eight patients' average 70 day admission (8 patients x 70 days = 560 days). The bill would result in a decrease in local expenditures in the amount of \$241,200 [(560 days – 24 days for the lag between incompetence and retirement of the charges = 536 days) x \$450 per diem].
- Due to treatment demands at the RMHIs, it is assumed that the treatment spots opened by these eight patients will be filled, either by new patients or by these patients continuing to receive treatment at the RMHIs. Financial responsibility for these new or

continuing treatment recipients will fall to the patients, the patients' private insurance if any, or TennCare.

- According to DMHSAS, twenty percent of their patients are TennCare-eligible. It is assumed that DMHSAS will bill TennCare for 20 percent of the 536 days (536 days x 0.20 = 107 days).
- According to Mental Health, TennCare, on average, pays for 83 percent of the days DMHSAS bills to TennCare. The unweighted average non-acute MCO rate is \$414.50.
- It is assumed that TennCare will pay for 83 percent of the 107 days (107 days x .83 = 89 days) billed by the RMHIs. It is estimated that TennCare will pay approximately \$36,891 (89 days x \$414.50) to the RMHIs for covered enrollees.
- It is assumed that the TennCare-eligible patients would be receiving these services whether at a RMHI or elsewhere. The bill would not result in increased expenditures by TennCare.
- It is estimated that the remaining 80 percent of the 536 days (536 days x 0.80 = 429 days) will be filled by non-forensic admissions. According to DMHSAS, the majority of these admissions are emergency admissions and the patients do not have insurance and are indigent. Therefore, any revenue collection from these individuals will be minimal.
- The estimated net decrease in state revenue is estimated to be \$204,309 (\$241,200 - \$36,891).

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Lucian D. Geise, Executive Director

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