



March 9, 2020

SUMMARY OF ORIGINAL BILL: Establishes a judicial process for the court to order an individual to receive assisted outpatient mental health treatment (AOT) under certain conditions as an alternative to inpatient treatment. Prior to the order, the court must receive a proposed treatment plan by a physician or approved professional who has examined the proposed patient within 10 days. Upon receipt of the petition, the court must set a hearing date within 10 days, excluding weekends and holidays. The court may order the proposed patient to receive AOT for an initial period of no more than six months, unless there are not adequate community resources and willing treatment providers, at which point the court shall state the findings of fact on the record and deny AOT without prejudice and may order another treatment or commitment as authorized by law. Within 30 days prior to the expiration of an order for AOT, the authorized petitioner may apply to the court to order continued AOT for a period not to exceed six months. Requires that the proposed patient shall have the right to be represented by counsel throughout the AOT process.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Expenditures –

\$17,394,600/FY19-20/General Fund

Net Impact - \$12,267,000/FY20-21/General Fund

Net Impact - \$12,229,800/FY21-22 and Subsequent Years/General Fund

\$83,700/FY19-20/Indigent Defense Fund

\$114,200/FY20-21 and Subsequent Years/

Indigent Defense Fund

Increase Federal Expenditures – Net Impact – \$1,381,100/FY19-20

\$2,091,200/FY20-21 and Subsequent Years

Other Fiscal Impact - Due to multiple unknown factors, the impact of the proposed legislation on local government cannot be determined with reasonable certainty; however, any impact would be mandatory. Any decrease in state expenditures associated with incarceration costs is estimated to be not significant.

SUMMARY OF AMENDMENT (016543): Deletes all language after the enacting clause. Allows a parent, legal guardian, legal custodian, conservator, spouse, or a responsible relative to a person alleged to be in need of care and treatment, a licensed physician, psychologist, or an officer authorized to make arrests to file a petition with a mental health court

to require mandatory outpatient care and treatment in a county with a mental health court if a person has threatened or attempted homicide and there is substantial likelihood that a homicide will occur unless the person is placed under involuntary treatment.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Increase State Expenditures – Exceeds \$552,400/FY20-21

Exceeds \$821,000/FY21-22 and Subsequent Years

Increase Federal Expenditures – Exceeds \$74,600/FY20-21

Exceeds \$110,900/FY21-22 and Subsequent Years

Assumptions for the bill as amended:

- Based on information provided by the Department of Mental Health and Substance Abuse Services, there are 13 counties with a mental health court.
- Based on Tennessee Bureau of Investigation data, there have been at least 370 instances of murder and negligent manslaughter in these counties; therefore, it is assumed these individuals could be initially considered for mandatory outpatient treatment in these 13 counties.
- An estimated 48.4% or 179 (370 x 48.4%) will be convicted, and not eligible for this treatment option.
- It is estimated the remaining 191 (370 – 179) individuals will be evaluated at a cost of \$250. The increase in expenditure is estimated to exceed \$47,750 (191 x \$250) for evaluations in FY20-21 and at least an additional 20 evaluations estimated to exceed \$5,000 (20 x \$250) in FY21-22 and subsequent years.
- It is estimated 18 percent of the 191 individuals have a mental health diagnosis, resulting in 34 individuals (191 x 18.0%) participating in mandatory outpatient treatment in the first year and an additional 20 in FY21-22 and subsequent years.
- The average program of assertive community treatment (PACT) rate is \$19,147. The increase in state expenditures is estimated to exceed \$650,998 (34 individuals x \$19,147) for treatment in FY20-21.
- In FY21-22 and subsequent years it is estimated approximately 54 individuals (34 individuals from FY20-21 + 20 additional individuals) will be participating in mandatory outpatient treatment. For this analysis, it is assumed this number will remain constant in subsequent years.
- The total increase in state expenditures is estimated to exceed \$698,748 (\$47,750 + \$650,998) in FY20-21.
- The increase in expenditures is estimated to exceed \$1,038,938 [\$5,000 evaluations + (54 individuals x \$19,147)] in FY21-22 and subsequent years.
- Approximately 73.5 percent of these expenditures will be paid in state funds resulting in state expenditures exceeding \$513,780 (\$698,748 x 73.5%) in FY20-21 and \$763,619 (\$1,038,938 x 73.5%) in FY21-22 and subsequent years.

- Approximately 16.2 percent of these expenditures will be reimbursed by TennCare. Medicaid expenditures receive matching funds at a rate of 65.878 percent federal funds to 34.122 percent state funds. This will result in the following:
 - State expenditures of \$38,625 [(\$698,748 x 16.2%) x 34.122% state rate] and federal expenditures of \$74,572 [(\$698,748 x 16.2%) x 65.878% federal rate] in FY20-21; and
 - State expenditures of \$57,430 [(\$1,038,938 x 16.2%) x 34.122% state rate] and federal expenditures of \$110,878 [(\$1,038,938 x 16.2%) x 65.878% federal rate] in FY21-22 and subsequent years.
- The remaining 10.3 percent of expenditures will be reimbursed through private health insurance, private parties, Medicare, and other resources.
- The total increase in state expenditures in FY20-21 is estimated to exceed \$552,405 (\$513,780 + \$38,625).
- The total increase in federal expenditures in FY20-21 is estimated to exceed \$74,572 in FY20-21.
- The total increase in state expenditures in FY21-22 and subsequent years is estimated to exceed \$821,049 (\$763,619 + \$57,430).
- The total increase in federal expenditures in FY21-22 and subsequent years is estimated to exceed \$110,878.
- It is assumed sheriffs can transport individuals within the counties that have a mental health court without a significant increase in expenditures.
- Any increase in court cases can be accommodated utilizing existing resources; therefore, any fiscal impact is estimated to be not significant.

CERTIFICATION:

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



Krista Lee Carsner, Executive Director

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