HB 1073

Department of Legislative Services

Maryland General Assembly
2001 Session

FISCAL NOTE

House Bill 1073 (Delegate Marriott)
Environmental Matters

Transition to Community-Based Services for Individuals with Developmental Disabilities

This bill requires the transition of individuals, other than those who have a sole diagnosis of mental illness, from psychiatric hospitals into community settings, and requires the Mental Health Administration (MHA) to reduce the admissions of such individuals to psychiatric hospitals.

Fiscal Summary

State Effect: General fund expenditures could increase by approximately $5.41 million in FY 2002 ($4.14 million in general funds and $1.27 million in federal funds). Future year estimates reflect inflation and annualization. Revenues would not be affected.

($ in millions)	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Revenues	$0	$0	$0	$0	$0
GF Expenditure	4.18	4.30	4.43	4.56	4.70
FF Expenditure	1.23	1.27	1.31	1.35	1.39
Net Effect	($5.41)	($5.57)	($5.74)	($5.91)	($6.09)

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect

Local Effect: None.

Small Business Effect: Meaningful. Community service providers, most of whom are small businesses, would experience an increased demand for their services.

Analysis

Bill Summary: This bill requires the Secretary of Health and Mental Hygiene and the Mental Hygiene Administration to establish a process to transition individuals who: (1) have a developmental disability, traumatic brain injury, or other disability, other than the sole diagnosis of mental illness; and (2) require supervised residential care, medical care, or other specialized services from a psychiatric hospital setting into the community. This process will include the establishment of a discharge planning team, including the individual, a family member or guardian, a community advocate, a representative from MHA, and a representative from the Developmental Disabilities Administration to determine the resources and support needed to successfully transfer an individual to an appropriate community placement.

MHA is required to continuously survey residents of State psychiatric hospitals to identify individuals who may be eligible for transition to community placement. Once identified, the discharge planning team is to evaluate the individual and notify MHA of its findings. If the discharge planning team finds that the individual may be transferred to a community setting, it must notify MHA and MHA must discharge the individual to a community placement within 90 days of that notification.

The Secretary of Health and Mental Hygiene is required to develop regulations to implement the bill, and must submit a report on the program to the General Assembly by June 1, 2002 and annually thereafter. This report is also to be provided to the protection and advocacy system of the State.

These provisions take effect October 1, 2001 and sunset September 30, 2007.

The bill also requires MHA to reduce admissions of individuals with developmental disabilities, traumatic brain injuries, or other trauma, other than the sole diagnosis of mental illness, to psychiatric hospitals. To do so, MHA must develop a plan to provide for: (1) the appropriate placement of such individuals; and (2) quantifiable reductions in the placement of those individuals in psychiatric hospitals. The plan must, among other things, include: (1) a mobile crisis team that will divert admissions to psychiatric hospitals by providing assessment, evaluation, and treatment to individuals experiencing a psychiatric or behavioral crisis in the community; (2) alternative crisis residential options; (3) respite care; (4) transitional housing; (5) augmentation of staff in the residential setting; (6) targeted case management services; (7) the creation of a joint pool of funding within MHA and DDA to provide necessary community support services; (8) cross-training of community providers; and (9) guidance and diversion options and protocols for use by providers before police are called or an individual is taken to a hospital emergency room.

These provisions take effect October 1, 2001 and sunset June 30, 2002.

Current Law: None applicable.

Background: According to the Department of Health and Mental Hygiene, every year DDA provides community services for a portion of the individuals with developmental disabilities or other disabilities in State psychiatric hospitals. Over the past two years, DDA has moved an average of 15 such individuals per year into either a residential placement at an average cost of $125,000 each per year, or into home placement where the individual receives support services at an average cost of $20,000 per year. DDA pays for these placements and services using current year funding from vacancies, funding for emergencies, and funding from the Waiting List Initiative.

At the beginning of fiscal 2001, there were approximately 70 individuals with developmental disabilities or other disabilities in State psychiatric hospitals that had been determined eligible for services from DDA. Among these individuals are persons who are dually diagnosed (mental illness and retardation), persons who have sustained a traumatic brain injury before the age of 22, and persons with other disabilities. To date in fiscal 2001, 11 individuals have been discharged from State psychiatric hospitals and are receiving DDA funded services -- 9 in community settings and 2 in a DDA State residential center.

State Expenditures: By the end of fiscal 2001, DDA estimates that there will be approximately 50 individuals with developmental disabilities or other disabilities in State psychiatric hospitals who will have been identified as eligible for transfer to an appropriate community setting with sufficient support services. Of those 50 individuals, ten have needs beyond services that they are eligible to receive from DDA, and will be funded by DDA and MHA jointly. Based on this, general fund expenditures could increase by approximately $5.4 million in fiscal 2002. This estimate is based on the following information and assumptions:

- no start-up delay, because identified individuals must be transferred within 90 days of identification;
- MHA and DDA have funding for 35 of the 50 individuals, because DDA already plans on transferring 15 individuals during fiscal 2002;
- 31% of DDA's residential placement expenditures ($3.98 million in fiscal 2002) will be reimbursed by the federal government under DDA's Medicaid waiver;
- out-years assume that the rate of admission of such individuals to State psychiatric hospitals will not exceed 15 each year, and that they will be funded from vacancies, funding for emergencies, and the Waiting List Initiative;
- the average cost for residential care in fiscal 2002 will be $132,613 and the average cost for support services will be $21,218;

- future years reflect annualization and an inflation rate of 3% per year; and
- any additional requirements set forth in the bill can be handled with existing resources.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Health and Mental Hygiene (Mental Health Administration, Developmental Disabilities Administration), Department of Legislative Services

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