HB 991

Department of Legislative Services

Maryland General Assembly
2002 Session

FISCAL NOTE

House Bill 991 (Delegate Marriott, *et al*.)
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: Expenditures could increase by $4.07 million ($1.20 million federal funds and $2.87 million general funds) in FY 2003. Federal fund revenues could increase by $1.20 million. General fund revenues would not be affected. Future years reflect the phased-in placement of individuals in the community from institutional settings.

($ in millions)	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Revenues	$0	$0	$0	$0	$0
GF Expenditure	2.87	7.49	9.93	11.01	11.48
FF Expenditure	1.20	3.24	4.32	4.70	4.88
Net Effect	($4.07)	($10.73)	($14.25)	($15.71)	($16.36)

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 (DHMH) and MHA to establish a process to transition individuals from a State psychiatric hospital to an appropriate community setting 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. This process will include the establishment of a discharge planning team, including the individual, a family member or guardian, a community advocate, an MHA representative, and a representative from the Developmental Disabilities Administration (DDA), to determine the resources and support needed to successfully transfer the individual to an appropriate community placement.

MHA must continuously survey State psychiatric hospital residents 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, 2003 and annually thereafter. This report also is to be provided to the protection and advocacy system of the State.

These provisions take effect October 1, 2002 and sunset September 30, 2008.

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 the appropriate placement of such individuals and 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) 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, 2002 and sunset June 30, 2003.

Current Law: Under the 1982 Knott Agreement, DDA and MHA agreed to move DDA clients from mental health institutions into community settings suitable for the client. The consent decree was in response to a lawsuit filed against the State by the Maryland Disability Law Center, a protection and advocacy group for the developmentally disabled.

State Expenditures: MHA has identified 102 individuals with developmental disabilities (61 people) or traumatic brain injuries (41 people) in State psychiatric hospitals who would transfer under the bill to an appropriate community setting with sufficient support services by the end of fiscal 2004. MHA estimates an additional 18 individuals would be diverted from the psychiatric hospitals and placed in community settings by fiscal 2007. Based on this, general fund expenditures could increase by $2,868,680 in fiscal 2003. This information is based on the following information and assumptions:

- 55 of the 102 individuals MHA has identified would be eligible for DDA services, 49 eligible for residential and day habilitation services at $125,000 per person per year, and 6 eligible for support services only at $25,000 per person per year;
- approximately 75% of DDA's residential placement expenditures ($1.2 million in fiscal 2003) will be reimbursed by the federal government under DDA's Medicaid waiver;
- MHA expects to receive a federal Medicaid waiver before the beginning of fiscal 2003 to cover 50% of the non-room and board costs for residential out-of-home placements, day habilitation programs, and supported employment programs for Medicaid-eligible individuals with traumatic brain injuries;
- MHA estimates annual costs for community placement services for 41 individuals with traumatic brain injuries at $117,413 for residential out-of-home care, $34,357 for residential in-home care, $29,927 for day habilitation, and $29,927 for supported employment services;
- the number of full-year equivalent placements will be: 33 in fiscal 2003, 84.5 in fiscal 2004, 109 in fiscal 2005, 117.5 in fiscal 2006, and 120 in fiscal 2007;
- despite community placements, the number of individuals in State psychiatric hospitals will not decrease because demand exceeds existing capacity; and
- any staffing requirements set in the bill can be handled with existing resources.

Additional Information

Prior Introductions: A similar bill, HB 1073, was introduced during the 2001 session. The bill had a hearing but no further action was taken.

Cross File: None.

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

Fiscal Note History: First Reader - March 10, 2002
lc/jr

Analysis by: Lisa A. Daigle

Direct Inquiries to:
John Rixey, Coordinating Analyst
(410) 946-5510
(301) 970-5510