



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2025 Biennium

Bill information:

HB0029 - Revise laws related to involuntary commitment of people with dementia or TBI (Carlson, Jennifer)

Status: As Introduced

Significant Local Gov Impact

Needs to be included in HB 2

Technical Concerns

Included in the Executive Budget

Significant Long-Term Impacts

Dedicated Revenue Form Attached

FISCAL SUMMARY

	<u>FY 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>	<u>FY 2026</u> <u>Difference</u>	<u>FY 2027</u> <u>Difference</u>
Expenditures:				
General Fund	\$182,794	\$2,349,088	\$3,488,257	\$4,661,038
State Special Revenue	\$0	\$0	\$0	\$0
Federal Special Revenue	\$0	\$0	\$0	\$0
Revenue:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$0	\$0	\$0	\$0
Federal Special Revenue	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance:	<u>(\$182,794)</u>	<u>(\$2,349,088)</u>	<u>(\$3,488,257)</u>	<u>(\$4,661,038)</u>

Description of fiscal impact: HB 29 revises laws regarding the involuntary commitment of individuals with Alzheimer's Disease, other forms of Dementia, or Traumatic Brain Injury moving the patient from the Montana State Hospital to community-based services. This bill includes a one-time-only biennial appropriation of \$39,775 for the Legislative Services Division (LSD) for a transition review committee.

FISCAL ANALYSIS

Assumptions:**Department of Public Health and Human Services (DPHHS) (Department)**

1. This bill requires the relocation of individuals with a "primary diagnosis" of Alzheimer's, Dementia, or Traumatic Brain Injury to locations outside of the Montana State Hospital who require 24-hour a day care. A Skilled Nursing Facility (SNF) is oftentimes the only appropriate setting into which a patient with this presentation could be placed. However, the department has historically found few SNFs within the state willing to take these individuals as an alternative placement to the Montana State Hospital. Given this history and considering other pressures currently facing SNFs, while DPHHS will attempt SNF or other viable

community-based placement, the department assumes that the individuals impacted by HB 29 will be placed into the Mental Health Nursing Care Center (MHNCC).

2. The department will hire 2.00 FTE Program Specialists and 0.50 FTE for a Claims Examiner to assist with the planning and coordination of all placements required by HB 29, including placements of current MSH residents and all future placements. Salary and Benefits for the 2.50 FTE are estimated at a total cost of \$170,674 in FY 2024, \$171,208 in FY 2025, \$175,002 in FY 2026, and \$178,833 in FY 2027. Included is a one-time-only office setup estimated to be \$7,000 (\$2,800*2.5) in FY 2024. Operating costs associated with the FTE are estimated at 3% of personal services.
3. The yearly cost for an individual in MHNCC is projected to be \$181,062 in the 2025 biennium, \$183,778 in FY 2026, and \$186,535 in FY 2027. An additional 1.5% inflationary rate increase was applied to both FY 2026 and FY 2027.
4. The department assumes current Montana State Hospital clients meeting the criteria of HB 29 will be relocated to MHNCC starting in FY 2025. It is assumed 12 individuals will be placed at a cost of \$2,172,744 (12 * \$181,062) in FY 2025 with an additional 50% increase of placements each year thereafter (this calculation includes new placements at MHNCC minus placements that will end each year). The cost is estimated to be \$3,308,004 (18 * \$183,778) in FY 2026 and \$4,476,840 (24 * \$186,535) in FY 2027.
5. The department assumes the beds being vacated at the Montana State Hospital with the relocation of the individuals under HB 29 will immediately be filled and therefore no cost savings will be realized.

HB29 HFD Assumptions	FY 2024	FY 2025	FY 2026	FY 2027
Individuals Placed from MSH to MHNCC	0	12	18	24
Yearly Rate	\$ 181,062	\$ 181,062	\$ 183,778	\$ 186,535
Total MHNCC Expenditures	\$ -	\$ 2,172,744	\$ 3,308,004	\$ 4,476,840
Funding Impact	FY 2024	FY 2025	FY 2026	FY 2027
General Fund	\$ -	\$ 2,172,744	\$ 3,308,004	\$ 4,476,840
State Special Revenue	\$ -	\$ -	\$ -	\$ -
Federal Share	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ -	\$ 2,172,744	\$ 3,308,004	\$ 4,476,840

Office of the Public Defender (OPD)

6. OPD recognizes that not all involuntary commitment cases go to Montana State Hospital which would include less than a 1% reduction which would not produce any savings. As such, a 1% reduction is less than the material standard for financial impact to OPD.

Legislative Services Division (LSD)

7. There is a one-time-only appropriation of \$39,775 to establish a transition review committee.

	<u>FY 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>	<u>FY 2026</u> <u>Difference</u>	<u>FY 2027</u> <u>Difference</u>
<u>Fiscal Impact:</u>				
FTE	2.50	2.50	2.50	2.50
<u>Expenditures:</u>				
Personal Services	\$170,674	\$171,208	\$175,002	\$178,833
Operating Expenses	\$51,895	\$2,177,880	\$3,313,255	\$4,482,205
TOTAL Expenditures	\$222,569	\$2,349,088	\$3,488,257	\$4,661,038
<u>Funding of Expenditures:</u>				
General Fund (01)	\$222,569	\$2,349,088	\$3,488,257	\$4,661,038
TOTAL Funding of Exp.	\$222,569	\$2,349,088	\$3,488,257	\$4,661,038
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
TOTAL Revenues	\$0	\$0	\$0	\$0
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	(\$222,569)	(\$2,349,088)	(\$3,488,257)	(\$4,661,038)

Sponsor's Initials

Date

Budget Director's Initials

Date

