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DATE: November 26, 2001

**HOUSE OF REPRESENTATIVES
COMMITTEE ON
HEALTH REGULATION
ANALYSIS**

BILL #: HB 335
RELATING TO: Mental Health Estimating Conference
SPONSOR(S): Representative Baxley
TIED BILL(S): None.

ORIGINATING COMMITTEE(S)/COUNCIL(S)/COMMITTEE(S) OF REFERENCE:

- (1) HEALTH REGULATION
 - (2) HEALTH & HUMAN SERVICES
 - (3) COUNCIL FOR HEALTHY COMMUNITIES
 - (4)
 - (5)
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I. SUMMARY:

The bill creates a Mental Health Estimating Conference for the purpose of developing official information relating to the state-supported mental health system, including, but not limited to:

- Forecasts of Baker Act expenditures;
- Caseload estimates of adults with serious mental illness and children with a serious emotional disturbance;
- The associated costs per person served; and
- The demand for civil and forensic institutional beds.

Statutorily, there are 12 consensus estimating conferences as follows:

- Economic Estimating Conference;
- Demographic Estimating Conference;
- Education Estimating Conference;
- Criminal Justice Estimating Conference;
- Social Services Estimating Conference;
- Child Welfare Estimating Conference;
- Juvenile Justice Estimating Conference;
- Revenue Estimating Conference;
- Workforce Estimating Conference;
- School Readiness Program Estimating Conference;
- Self-Insurance Estimating Conference; and
- Florida Retirement System Actuarial Assumption Conference.

Currently, data related to mental health caseloads and needs are prepared by the Department of Children and Families and are presented in their Legislative Budget Request. In addition, caseloads and expenditures related to mental health services for Medicaid clients are included in the Social Services Estimating Conference. Funding for non-entitlement programs, even those for which there are estimating conferences, is determined by the Legislature and is subject to existing resources.

The bill has an effective date of July 1, 2002.

II. SUBSTANTIVE ANALYSIS:

A. DOES THE BILL SUPPORT THE FOLLOWING PRINCIPLES:

- | | | | |
|-----------------------------------|------------------------------|--|---|
| 1. <u>Less Government</u> | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> | N/A <input type="checkbox"/> |
| 2. <u>Lower Taxes</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 3. <u>Individual Freedom</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 4. <u>Personal Responsibility</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 5. <u>Family Empowerment</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |

For any principle that received a "no" above, please explain:

The bill creates a consensus estimating conference specifically geared to planning and budgeting for the Mental Health system.

B. PRESENT SITUATION:

Section 216.134, F.S., provides for a consensus estimating conference process to provide official information (including data, forecasts, estimates, analyses, studies, and other information which the principals adopt) for the purpose of state planning and budgeting. Unless otherwise provided by law or decided by unanimous agreement of the principals of the conference, all official information prepared by each conference is based on the assumption that current law and current administrative practices will remain in effect throughout the period for which the information is to be used. Forecasts are prepared for a period of at least 10 years, unless the principals unanimously decide otherwise.

Each consensus estimating conference includes principals and participants. Principals are identified in statute and usually include the Executive Office of the Governor, the Office of Economic and Demographic Research, and professional staff from the agency responsible for the program, the House and the Senate who have forecasting expertise, or their designees. Participants are individuals invited to participate in the estimating conference by a principal. Unanimous agreement of all principals is required to adopt official information. All sessions and meetings of an estimating conference are open to the public.

Pursuant to s. 216.136, F.S., there are currently 12 consensus estimating conferences. Official information from two of the conferences are required to be used by each of the other consensus estimating conferences in developing their official information:

- Economic Estimating Conference; and
- Demographic Estimating Conference.

Caseload conferences include the:

- Education Estimating Conference;
- Criminal Justice Estimating Conference;
- Social Services Estimating Conference;
- Child Welfare Estimating Conference; and
- Juvenile Justice Estimating Conference.

The Social Services Estimating Conference, Criminal Justice Estimating Conference, and Education Estimating Conference have been in existence longer than the other caseload conferences and both the entitlement nature of the programs forecasted by these conferences

(public school enrollment, Medicaid, TANF) and the large share of the state budget that they constitute set them apart from the other caseload conferences.

The other estimating conferences include the:

- Revenue Estimating Conference;
- Workforce Estimating Conference;
- School Readiness Program Estimating Conference;
- Self-Insurance Estimating Conference; and
- Florida Retirement System Actuarial Assumption Conference.

Currently, data related to mental health caseloads and needs are prepared by the Department of Children and Families and are presented in their Legislative Budget Request. In addition, caseloads and expenditures related to mental health services for Medicaid clients are included in the Social Services Estimating Conference.

Funding for non-entitlement programs, even those for which there are estimating conferences, is determined by the Legislature and is subject to existing resources.

C. EFFECT OF PROPOSED CHANGES:

The bill creates a Mental Health Estimating Conference for the purpose of developing official information relating to the state-supported mental health system, including, but not limited to:

- Forecasts of Baker Act expenditures;
- Caseload estimates of adults with serious mental illness and children with a serious emotional disturbance;
- The associated costs per person served; and
- The demand for civil and forensic institutional beds.

The bill has an effective date of July 1, 2002.

D. SECTION-BY-SECTION ANALYSIS:

Section 1. Amends s. 216.136, F.S., to create the Mental Health Estimating Conference and provides its duties and principals.

Section 2. Provides an effective date of July 1, 2002.

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

See Fiscal Comments section.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

While the addition of a Mental Health Estimating Conference could result in additional information being available for planning and budgeting purposes, funding for these programs would remain subject to existing resources.

According to the Office of Economic and Demographic Research, it is most likely that existing staff in the Executive Office of the Governor and the Office of Economic and Demographic Research would assume the additional responsibilities of a Mental Health Estimating Conference.

The Department of Children and Families provided a fiscal note which indicates that:

“This bill requires professional actuarial studies. The first year actuarial cost to design the study and to capture and analyze data is estimated at 800 hours at \$225 per hour or \$180,000. Annual costs to analyze data after the initial design is established is estimated at 400 hours at \$225 per hour or \$90,000.”

IV. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

The bill does not require a city or county to expend funds or to take any action requiring the expenditure of funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

This bill does not reduce the authority that municipalities or counties have to raise revenues in the aggregate.

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

This bill does not reduce the percentage of state tax shared with counties or municipalities.

V. COMMENTS:

A. CONSTITUTIONAL ISSUES:

None.

B. RULE-MAKING AUTHORITY:

None.

C. OTHER COMMENTS:

According to the Department of Children and Families, "This bill would bring stakeholders to a forum that would support the availability and consideration of the best available data to estimate the need for public mental health services. This is a desirable public policy goal."

The Agency for Health Care Administration submitted an analysis of the bill indicating that although the bill does not directly affect the Agency, "Medicaid reimburses Medicaid enrolled providers for Medicaid covered mental health services. Although the Agency is not a principal of the conference, Agency staff may be called upon to provide Medicaid information related to mental health services reimbursed by the Medicaid program."

According to the Office of Economic and Demographic Research, "The bill specifies that official information for the Mental Health Estimating Conference include forecasts of Baker Act expenditures based on periodic actuarial analysis. It is not clear how an actuarial analysis would relate to these expenditures. Further, to forecast expenditures for a non-entitlement program under current law and current administrative practices may not be as useful as estimates of potential need for Baker Act services."

Proponents of the legislation indicate that, "Establishing a Mental Health Estimating Conference would put a spot light on an annual basis on the needs of the mental health system."

A technical amendment is necessary to amend s. 216.133, F.S., to add to the list of conferences in the definition of "Consensus estimating conference," Mental Health Estimating Conference.

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

None.

VII. SIGNATURES:

COMMITTEE ON HEALTH REGULATION:

Prepared by:

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Lucretia Shaw Collins

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