

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

Legislative Fiscal Note

BILL NUMBER: Senate Bill 437 (First Edition)

SHORT TITLE: Enact First Evaluation Program.

SPONSOR(S): Senator Hartsell

FISCAL IMPACT

Yes (x) No ( ) No Estimate Available (x)

FY 2011-12 FY 2012-13 FY 2013-14 FY 2014-15 FY 2015-16

REVENUES

EXPENDITURES

\*\*There will be a savings by expanding this program statewide; however, there is not enough data available to estimate an amount of savings.

\*\*There may be a cost associated with training that is currently provided free-of-charge by a third party.

POSITIONS (cumulative):

PRINCIPAL DEPARTMENT(S) &

PROGRAM(S) AFFECTED: Division of Mental Health, Developmental Disabilities, and Substance Abuse Services

EFFECTIVE DATE: October 1, 2011

BILL SUMMARY:

This authorizes the Secretary of Department of Health and Human Services to expand the First Commitment Pilot Program statewide and expands the list of professionals who may perform the first level evaluation for involuntary commitments. The current pilot program allows trained professionals (in lieu of a physician or psychologist) to conduct a first level evaluation for an involuntary commitment. This bill expands the list of those professionals who may conduct the assessment to include licensed professional counselors. Additionally, this bill limits the assessment scope of a master's level certified addiction specialists' evaluations to substance abuse involuntary commitments only. This bill also requires successful completion of the Department of Health and Human Services' standardized training program.

ASSUMPTIONS AND METHODOLOGY:

There are two main areas of costs and/or savings associated with this bill; the rates of reimbursement for the professional conducting the assessment and the training expenses required by Division of Mental Health, Developmental Disabilities, and Substance Abuse Services.

Physician and Psychologist rates of reimbursement within the Medicaid program are higher than the other professionals allowed within the existing pilot program and higher than those new professionals that will be added within this bill to conduct first level assessments. According to the Division of Medical Assistance, the rates of reimbursement are as follows:

- Physician 86.4% - 95% of Medicare
- Psychologist 100% of Medicaid Fee Schedule
- Licensed Clinical Social Worker 75% of Medicaid Fee Schedule
- Master's Level Psychiatric Nurse 85% of Medicaid Fee Schedule
- Certified Clinical Addictions Specialist 75% of Medicaid Fee Schedule
- Licensed Professional Counselors 75% of Medicaid Fee Schedule

The Department of Health and Human Services does not have information on the number of first level evaluations completed annually; therefore, the total cost of this program is not known nor how much money could be saved by expanding this pilot. It is assumed that there would be a cost savings by expanding the pilot since the professionals who may conduct assessments (in this bill) have lower reimbursements rates than that of a physician and/or psychologist; a physician or psychologist are the only professionals allowed to conduct these first assessments outside of the pilot regions.

Additionally, training is required. Currently, the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services (MHDDSAS) provides training for the First Level Commitment Pilot Program. Individuals must complete on-line training, followed up by on-site testing, and the certification review process. After successful completion, these individuals are certified and listed on the MHDDSAS webpage as Certified First Commitment Evaluators. The DMHDDSAS estimates no additional resources will be necessary for the additional testing/training if this pilot expands. Currently, the on-line assessment maintenance is approximately \$700/annually, according to staff of the DMHDDSAS. Also, part of the on-site training is provided free-of-charge by a third party; it is not known if the training will remain free when additional professionals register for this training.

Fiscal Research Division believes there will be additional costs associated with the on-site training portion. The current number of individuals certified through this process is approximately 85 for twelve Local Management Entities' catchment areas. It is not known how many more individuals will receive training and certification under this new law; however, it could easily double since the 85 individuals represent approximately half of all LME's. And again, there is no data available on the current number of involuntary commitments conducted annually.

Since data is limited on both number of annual assessments and number of professionals to receive the training, the FRD cannot estimate an additional cost or cost-savings at this time; though, it is anticipated that that the reduced reimbursement rates for the first level evaluations, over time, will

produce an overall savings to the Medicaid program, beyond any additional training costs needed upfront for the certification process of individuals.

**SOURCES OF DATA:**

Division of Medical Assistance (rates of reimbursement)

Division of Mental Health, Developmental Disabilities, and Substance Abuse Services (training)

DMHDDSAS website <http://www.ncdhhs.gov/mhddsas/firstcommitment/index.htm>

**TECHNICAL CONSIDERATIONS:** None

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**DATE:** April 25, 2011



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