

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 763** HLS 16RS 923
 Bill Text Version: **ENGROSSED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: March 21, 2016 3:20 PM	Author: CARPENTER
Dept./Agy.: DHH	
Subject: Mental Health Emergency Room Extensions	Analyst: Willis Brewer

HUMAN SERVICES EG SEE FISC NOTE GF EX Page 1 of 1
 Authorizes and provides for mental health emergency room extensions.

Proposed law authorizes human services districts and authorities to establish mental health emergency room extensions (MHERE) in accordance with the provisions of proposed law and are subject for this purpose. Proposed law defines MHERE as a type of crisis receiving center in which staff of mental health and behavioral health specialists provide high level of screening and assessment to people experiencing mental or behavioral health crisis.

Proposed law provides that a human services district or authority may establish and operate an MHERE in any parish that meets all of the following criteria: (1) The parish has a population of more than 440,000 according to the latest federal decennial census. (2) The parish experienced the closure of a hospital that had been operated by the LSU Health Care Services Division.

EXPENDITURES	2016-17	2017-18	2018-19	2019-20	2020-21	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total						

REVENUES	2016-17	2017-18	2018-19	2019-20	2020-21	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

The proposed law authorizes human services districts and authorities (HSD/A) to establish and operate a mental health emergency room extension (MHERE) as a Level III (freestanding) crisis receiving center in accordance with the provisions of Louisiana Administrative Code 48:I.5301. A Level III Crisis Receiving Center (CRC) is defined as "an agency, business, institution, society, corporation, person or persons, or any other group, licensed by the Department of Health and Hospitals to provide crisis identification, intervention and stabilization services for people in behavioral crisis. A CRC shall be no more than 24 beds."

To the extent a freestanding MHERE would be authorized under federal regulations, additional MHERE services would result in significant SGF match expenditures. However, the Centers for Medicare & Medicaid Services (CMS) will not certify a freestanding ER that is not part of a licensed hospital per a 2008 CMS Survey and Certification Group letter to Medicaid directors. The letter states any provider seeking a freestanding ER has to satisfy the statutory definitions of a hospital which includes the requirement that the provider is primarily engaged in inpatient services and be in compliance with the provider-based regulations established in 42 CFR 413.65. Only after a licensed hospital has a licensed emergency room can it then have a CMS licensed mental health emergency room extension (MHERE) as an extension of a current hospital emergency room. HSD/As do not own and operate licensed acute care hospitals; therefore, any established and operated MHERE will be unlicensed, unregulated, and unable to receive match funding.

However, a HSD/A currently can establish and operate a Crisis Receiving Center (that is not a MHERE) after it receives a license from DHH. Additionally, to the extent a CRC is licensed, established, and operated by a HSD/A, additional CRC services would result in significant SGF expenditures.

Based on 2010 Census Summary File by Population, Housing Units, Area, and Density report, the LFO projects only one HSD/A meets the requirements established in the bill. East Baton Rouge parish has estimated population of 440,171 and has experienced a closure of a hospital in its parish (Earl K. Long). Therefore, Capital Area Human Services District (East Baton Rouge Parish) is the only eligible HSD/A that this proposed law may impact. There are currently two active MHEREs in Louisiana both in Baton Rouge (Baton Rouge General and Our Lady of the Lake).

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

- | | | |
|---|--|--------------|
| <u>Senate</u> | <u>Dual Referral Rules</u> | <u>House</u> |
| <input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} | <input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S} | |
| <input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H} | <input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S} | |

Evan Brasseaux
Evan Brasseaux
Staff Director