



# DOAA

Georgia Department  
of Audits & Accounts

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Honorable Ben Watson, MD  
Chairman, Senate Health and Human Services Committee  
325-A Coverdell Legislative Office Building  
Atlanta, Georgia 30334

SUBJECT: Fiscal Note  
House Bill 1013 (LC 33 9075S)

Dear Chairman Watson:

This bill proposes numerous changes intended to increase mental health insurance coverage and the availability of services. The provisions expected to impact state expenditures include the following:

- requiring all private and state health plans to offer coverage for mental health treatment that is at least as extensive as coverage provided for physical illnesses
- requiring the Office of the Commissioner of Insurance to implement procedures to monitor and enforce health plan compliance
- requiring Medicaid coverage for certain drugs prescribed for treatment of schizophrenia
- creating a service cancelable education loan program for behavioral health and substance use professionals
- creating a behavioral healthcare workforce database
- establishing grants for assisted outpatient treatment programs and for accountability courts serving mental health and substance use disorder populations
- establishing a network of local co-response teams
- allowing for civil non-imminent involuntary treatment
- allowing mobile crisis response teams of the Department of Behavioral Health and Developmental Disabilities to transport individuals to physicians or emergency receiving facilities for emergency evaluation.
- requiring the Office of Health Strategy and Coordination to coordinate and evaluate mental health services provided through various agencies, to develop a unified mental health formulary, and to complete various studies.

### Impact on State Expenditures

The bill would result in increased expenditures for the several state agencies and offices (see **Table 1**). The additional expenditures were due to new administrative responsibilities, an anticipated increase in benefit costs, the creation of new grant programs, and the creation of a service cancelable loan program. As shown in the table, it is estimated that one-time expenditures of state funds would be between \$13.7 and \$16.0 and ongoing annual expenditures of state funds including administrative and benefit costs would be between \$63.2 and \$93.5 million.

**Table 1: State Funds Expenditures Summary**

	<b>One-Time</b>	<b>Annual</b>
Criminal Justice Coordinating Council	\$274,500	\$1.8 million
Department of Behavioral Health and Development Disabilities	\$8.8 million to \$11.1 million	\$1.1 million <sup>1</sup>
Department of Community Health	\$3.5 million	\$49.2 million to \$79.4 million
Georgia Student Finance Authority		\$10.3 million
Georgia Board of Health Care Workforce	\$200,000	\$152,057
Office of the Commissioner of Insurance	\$450,000	\$227,177
Office of Health Strategy and Coordination	\$490,000	\$487,357
<b>Total</b>	<b>\$13.7 million to \$16.0 million</b>	<b>\$63.2 million to \$93.5 million<sup>1</sup></b>

1. DBHDD annual costs do not include grants for mental health court technical assistance grants or funding for mobile crisis teams that may transport patients for emergency evaluation.

*Criminal Justice Coordinating Council (Section 4-1)*

The bill would require CJCC to establish a grant program to fund accountability courts that serve the mental health and co-occurring substance use disorder population. It would allow grant funds to be used to facilitate gender-specific trauma treatment. CJCC would be required to assign a dedicated employee to provide technical assistance to these accountability courts. As shown in **Table 2**, CJCC estimates \$274,500 in one-time costs associated with training court staff to facilitate the trauma treatment and \$1.8 million in annual costs associated with annual grants and staffing.

**Table 2: CJCC State Funds Costs**

	<b>One-Time</b>	<b>Annual</b>
Accountability Court Grant		\$1,682,837
Court Staff Training	\$274,500	
Personal Services		\$123,750
<b>Total</b>	<b>\$274,500</b>	<b>\$1,806,587</b>

- *Grants* – CJCC estimated the annual grant amount based on the number of individuals diagnosed with severe and persistent mental health disorder and/or co-occurring substance use disorder who participated in trauma treatment programs through the courts and the average cost per session for each treatment program. Two types of trauma treatment programs are provided: Moral Reconciliation Therapy (MRT) and Trauma Recovery and Empowerment Model (TREM). During fiscal year 2021, 8,195 MRT participants and 2,712 TREM participants were served through the courts. Based on average costs per participant of \$98 for MRT and \$325 for TREM, total trauma treatment program costs are estimated to be \$1,682,837 (\$802,454 for MRT and \$880,383 for TREM). According to CJCC, these grant funds would be expended by the courts for treatment providers (contracted or employed by the court) to provide the services.
- *Court Staff Training* – According to CJCC, additional accountability court staff would need training specific to each treatment program. At a cost of \$18,000 per session, MRT training provided in 10 judicial districts would total \$180,000. TREM training is \$18,900 per session. Five trainings for this program would total \$94,500.
- *CJCC Staffing* – CJCC estimated costs of \$123,750 for one dedicated employee to provide technical assistance to the accountability courts. The amount includes salary and fringe benefits.

*Department of Behavioral Health and Development Disabilities (Sections 3-1, 3-2, 3-3, 4-4)*

The bill would require DBHDD to implement two grant programs and two units to administer the grant programs, create and maintain an information repository, and staff up to five local co-response teams. It also authorizes its mobile crisis teams to transport individuals for emergency evaluation and redefines individuals eligible for involuntary treatment by no longer requiring that they be at risk of imminent harm or be charged with a penal offense.

As shown in **Table 3**, DBHDD estimates one-time costs to implement these requirements at between \$8.8 million and \$11.1 million. Ongoing, annual costs are estimated at more than \$1.1 million. DBHDD was unable to estimate costs associated with mental health court technical assistance grants or authorizing mobile crisis teams to transport individuals. It also noted that increased demand for inpatient services could result from the bill’s redefining of criteria for involuntary treatment.

**Table 3: DBHDD State Funds Costs**

	<b>One-Time</b>	<b>Annual</b>
Assisted Outpatient Treatment		
AOT Grant	\$7,500,000	
AOT Unit		\$238,586
AOT Information Repository	\$550,000	\$146,700
AOT Technical Assistance Contract		\$32,500
AOT Evaluation Contract	\$700,000 to \$3 million	
Statewide Technical Assistance Center		\$220,050
Statewide Technical Assistance Grants		Unknown <sup>1</sup>
Co-Response Teams		\$448,530
Mobile Crisis Team Transport		Unknown <sup>2</sup>
<b>Total</b>	<b>\$8.8 million to \$11.1 million</b>	<b>\$1.1 million</b>
1. The number of grants and award amounts are unknown. 2. We are unable to estimate the cost associated with authorizing mobile crisis teams to transport individuals for emergency evaluation.		

- *Assisted Outpatient Treatment* – DBHDD would be required to establish and operate a grant program for the purpose of fostering implementation and practice of assisted outpatient treatment (AOT). The grant program would provide three years of funding, technical support, and oversight to five grantees, each comprising a collaboration between a community service board or private provider, a probate court or courts with jurisdiction, and a sheriff’s office or office with jurisdiction. DBHDD estimates that it would cost \$7.5 million to fund salary, travel, equipment, and training costs for five grantees over three years. In addition to the grants, the following administrative costs are associated with AOT:
  - To administer the grant and provide supervision, coordination, and support to the grantees, the bill would require DBHDD to establish an AOT unit. DBHDD estimates it would require three full-time staff members to perform these responsibilities. The annual salary and benefits costs associated with positions are estimated at \$238,586.
  - The AOT unit would be required to establish a statewide repository of information on persons with behavioral health issues with high utilization of services for the purposes of improving outcomes and reducing fragmentation. DBHDD estimates the startup or infrastructure costs of the database to be \$550,000 and the annual salary and benefits cost for a full-time staff member to manage the database to be \$146,700.
  - The bill would also require DBHDD to contract with two outside entities: one to provide technical assistance to grantees and another to evaluate the effectiveness of

the AOT grant program. DBHDD estimates that an annual technical assistance contract may cost \$25,000 plus travel expenses of \$7,500 for two visits per site for a total annual cost of \$32,500. The program evaluation contract is estimated to cost between \$700,000 and \$3 million, depending on the scope of work.

- *Statewide Technical Assistance Center* – The bill would require DBHDD to establish a statewide technical assistance center to provide assistance to local governments and state agencies implementing initiatives to reduce incarceration and homelessness for individuals with serious mental illness. It would also issue a biannual survey to all counties and produce an annual report. Finally, the center would be required to provide planning and implementation grants to local governments and state agencies. DBHDD estimates annual costs for the center to be \$220,050 based on salary and benefit costs for two full time positions. Additional costs would be associated with the bill’s requirement that the center provide planning and implementation grants to local governments and state agencies for direct funding support to implement these initiatives. However, DBHDD could not estimate the number or amount of these grants.
- *Local Co-Response Teams* – The bill would require DBHDD to implement a network of three to five local co-response teams throughout the state. These teams would respond to 9-1-1 emergency and other calls for service involving a person in behavioral health crisis. The co-response teams would be composed of at least one peace officer and one trained behavioral health professional. DBHDD estimates its annual cost would be \$448,530 to fund one clinician/behavioral health professional at a salary and benefits cost of \$89,000 for each of the five teams.
- *Transportation Using Mobile Crisis Teams* – The bill authorizes DBHDD’s mobile crisis teams to transport persons for emergency examination by a physician or to an emergency receiving facility if the team believes the person with a mental illness requires involuntary treatment. Currently, only peace officers are authorized to transport such individuals. DBHDD officials stated their teams are currently not equipped to provide this service, and they do not have an estimate on potential workload. Consequently, DBHDD is unable to provide a cost estimate for this potential responsibility.
- *Redefining Criteria for Involuntary Treatment* – The bill would redefine standards for involuntary inpatient or outpatient treatment by no longer requiring that individuals present an imminent risk of harm or be charged with a penal offense prior to transport to a physician or an emergency receiving facility. DBHDD anticipates that this redefinition may increase demand for services but is unable to estimate the increase.

*Department of Community Health (Sections 1-4, 6-1, 6-4)*

DCH would incur both administrative and benefit costs as a result of the bill. The agency would be required to extend inpatient coverage for mental health treatments to its fee-for-service population, cover drugs prescribed for the treatment of schizophrenia or schizotypal disorders that are not on the preferred drug list, conduct reimbursement rate studies of mental health services under all state health plans, and create a repository for tracking, analyzing, and reporting mental health parity-related consumer complaints.

As shown in **Table 4**, this bill is estimated to result in one-time administrative expenses of \$7.0 million (\$3.5 million in state funds).

**Table 4: DCH One-Time Administrative Costs**

	State	Federal	Total
Consumer Complaint Repository	\$3,000,000	\$3,000,000	<b>\$6,000,000</b>
Reimbursement Rate Study	\$500,000	\$500,000	<b>\$1,000,000</b>
<b>Total</b>	<b>\$3,500,000</b>	<b>\$3,500,000</b>	<b>\$7,000,000</b>

- *Complaint Repository* – DCH would be required to create and maintain a repository of consumer complaints related to mental health parity in state health plans. According to DCH, this complaint system would be integrated into its Medicaid Management Information System. The company that operates the current system quoted DCH \$6 million in change orders to create the information repository.
- *Rate Studies* – DCH would be required complete several studies including a comparison of reimbursement rates for mental health services under Medicaid, PeachCare for Kids, and the State Health Benefit Plan (SHBP) with the reimbursements in other states; reimbursement for hospital care for uninsured patients with mental health and substance use disorders in the emergency department; and an accounting of mental health fund distribution across state agencies. These studies would be performed by the company DCH contracts with to provide actuarial services. This company indicated it would cost approximately \$1 million to complete these studies.

**Table 5** shows an estimated range of annual benefit expenses from \$145.6 million (\$49.2 million in state funds) to \$235.3 million (\$79.4 million in state funds).

**Table 5: DCH/Medicaid Benefit Costs, Annual**

	State	Federal	Total
Adult Fee-For-Service Inpatient Coverage	\$37.0 million to \$67.3 million	\$72.6 million to \$132.0 million	<b>\$109.6 million to \$199.3 million</b>
Coverage of Certain Prescription Drugs	\$12.1 million	\$23.9 million	<b>\$36.0 million</b>
<b>Total</b>	<b>\$49.2 million to \$79.4 million</b>	<b>\$96.5 million to \$155.9 million</b>	<b>\$145.6 million to \$235.3 million</b>

- *Adult Fee-For-Service Inpatient Mental Health Treatment Coverage* – All state health care plans would be required to provide coverage for the treatment of mental health or substance use disorders at levels equal to or exceeding coverage provided for treatment of other types of physical illnesses. While SHBP and Medicaid managed care populations may already have benefits like those required by the bill, Georgia’s Medicaid fee-for-service program does not currently cover adult members’ inpatient treatment of mental health and substance use disorders. DCH assumes that this population’s utilization of inpatient treatment for mental health and substance abuse disorders will be similar to the Medicaid managed care population’s utilization. Approximately 11% of Medicaid managed care adult members diagnosed with mental health or substance use disorders received inpatient treatment. Applying this utilization rate to the 391,441 fee-for-service adult members diagnosed with such disorders, DCH estimates that 43,059 members could receive from 1 to 30 days of inpatient treatment during the year. The low estimate shown in Table 5 above assumes a daily rate of \$500 and the high estimate assumes a daily rate of \$1,000.
- *Coverage of Certain Prescription Drugs for Treatment of Schizophrenia* – The bill requires Georgia’s Medicaid program to cover any prescription drug (beyond those on the preferred drug list) prescribed for treatment of schizophrenia or schizotypal or delusion disorders if the drugs on the preferred drug list were previously unsuccessful. DCH estimates that approximately 12,000 Medicaid members are diagnosed with these disorders. DCH also

estimates that drugs not included on the preferred drug list cost an average of \$1,500 more per prescription (i.e., monthly dosage). Although it is unknown how many of these members would require the more expensive prescription, DCH estimates are based the assumption that each member would receive two prescriptions of the higher cost drug.

*Georgia Board of Health Care Workforce (Section 2-2)*

The bill would require the Georgia Board of Health Care Workforce to create and maintain a Behavioral Health Care Workforce Database for the purpose of collecting and analyzing minimum data set surveys for behavioral health care professionals. The Board would also be required to create and maintain an online dashboard of this information for its website. As shown in **Table 6**, the Board estimates the bill would result in one-time costs of \$200,000 to create the database and dashboard and \$152,057 in ongoing costs related to database maintenance and a full-time staff member to manage the process.

**Table 6: Georgia Board of Health Care Workforce State Funds Costs**

	One-Time	Annual
Database/Dashboard Creation	\$200,000	
Personal Services		\$84,057
Operating Expenses		\$68,000
<b>Total</b>	<b>\$200,000</b>	<b>\$152,057</b>

*Georgia Student Finance Authority (Section 2-1)*

The bill would require GSFA to create a service cancelable educational loan program for residents of Georgia enrolled in educational or training programs for mental health or substance use disorder professionals. For service repayment, loan recipients would be required to provide one year of service for each academic year of study for which they receive a loan. GSFC calculates that a \$10,000,000 annual appropriation would fund \$4,000 annual scholarships for 2,500 students. As shown in **Table 7**, GSFC estimates that administering this new scholarship program will cost approximately \$243,497 annually to fund salary and benefits for 3.6 full-time equivalent positions in the areas of loan servicing, originations, disbursements, and other support services. Operating costs of \$80,140 would be incurred for data system development and maintenance.

**Table 7: GSFA State Funds Costs**

	One Time	Annual
Scholarship		\$10,000,000
Personal Services		\$243,497
Operating Expenses		\$80,140
<b>Total</b>	<b>N/A</b>	<b>\$10,323,637</b>

*Office of the Commissioner of Insurance (Section 1-2)*

OCI would be responsible for collecting and reporting information from health care entities regarding compliance with mental health parity laws and accepting, responding to, and maintaining an information repository of consumer complaints. To ensure implementation of these responsibilities, OCI would appoint a mental health parity officer. As shown in **Table 8**, OCI expects one-time expenses to be \$450,000 for complaint system upgrades. Ongoing operating expenses of \$227,000 are estimated, with \$100,000 for ongoing system maintenance and \$127,000 for personal services.

**Table 8: OCI Administrative State Funds Costs**

	One-Time	Annual
Personal Services		\$127,177
Information Repository	\$450,000	\$100,000
<b>Total</b>	<b>\$450,000</b>	<b>\$227,177</b>

*Office of Health Strategy and Coordination (Section 4-3)*

The bill would add several responsibilities to the office including the coordination and evaluation of mental health services provided through various state agencies. It would also be required to conduct several evaluations and studies to identify strategies to improve access to services. Finally, the office would be required to create a comprehensive unified formulary for mental health and substance use disorder services under Medicaid, PeachCare for Kids, and SHBP. As shown in **Table 9**, the office estimates one-time costs of \$490,000 to contract with entities to complete various studies and to develop the unified formulary and annual administrative expenditures of \$487,357.

**Table 9: Office of Health Strategy and Coordination State Funds Costs**

	One-Time	Annual
Unified Formulary	\$150,000	
Certified Peer Specialists Report	\$250,000	
SUPPORT Act Report	\$70,000	
Transportation Study	\$20,000	
Personal Services		\$467,357
Operating Expenses		\$20,000
<b>Total</b>	<b>\$490,000</b>	<b>\$487,357</b>

The office estimates that four full-time staff would be needed to perform the responsibilities assigned in this bill:

- Mental Health Program Director - \$100,000 salary and \$68,114 fringe
- Program Analysts (2) - \$65,000 salary and \$44,274 fringe
- Administrative Assistant - \$48,000 salary and \$32,695 fringe

Annual operating expenses of \$20,000 would fund computers and other supplies.

**Impact on State Revenue** (Sections 1-2, 1-5, 1-6, 1-7)

It is anticipated that there will be a net increase in state and local premium tax revenue due to requirements that health plans offer mental health coverage at levels equal to or exceeding those for physical illness. OCI anticipates additional mental health coverage that will increase plan premiums and, in turn, increase premium tax revenue. However, because OCI lacks information regarding current coverage, it cannot estimate the increase in coverage or revenue if this law were to pass.

Respectfully,



Greg S. Griffin  
State Auditor



Kelly Farr, Director  
Office of Planning and Budget