



April 6, 2023

**SUMMARY OF BILL:** Allows for certain individuals to petition a mental health court to require another person, who has threatened or attempted homicide or an act of mass violence, to receive outpatient care and treatment in a county with a mental health court. Sets standards for court proceedings with regards to a hearing on a petition, rights of the defendant, and terminating legally mandated outpatient care. Establishes regulations regarding suspended and reinstated outpatient care and situations relating to non-compliance of the individual ordered to undergo outpatient care.

**FISCAL IMPACT:**

**Increase State Expenditures – \$714,200/FY23-24  
\$1,123,000/FY24-25 and Subsequent Years**

**Increase Federal Expenditures – \$95,800/FY23-24  
\$150,600/FY24-25 and Subsequent Years**

Assumptions:

- Passage of the proposed legislation requires the Department of Mental Health and Substance Abuse Services (DMHSAS) to pay for outpatient services if an individual undergoing treatment is indigent or not eligible for payment for services under a privately funded system or governmentally funded system.
- It is assumed that individuals who are reported as having committed or threatened to commit a violent crime against person or property and are later charged with that crime will not be eligible for this type of outpatient treatment. Therefore, only those who are cleared of these crimes are qualified.
- According to the Tennessee Bureau of Investigation (TBI), between 2019 and 2021 there was a yearly average of 309 cases of murder, 12 cases of negligent vehicular manslaughter, 17 cases of negligent manslaughter, and 211 cases of arson that were reported but later cleared, meaning there were potential of 549 (309 + 12 + 17 + 211) individuals eligible for a treatment petition.
- The proposed legislation states that a petition must be filed in a mental health court of the county in which that person permanently resides. There are 9 counties that have a mental health court in Tennessee. As of April 1, 2020, these 9 counties make up 44 percent of the total population in Tennessee, according to the US Census. Therefore, it is

assumed that, of the potential individuals eligible for the treatment program, only 242 (549 x 44.0%) are eligible based on their location.

- The proposed legislation requires that a physician or mental health professional submit an examination in order to complete the petition hearing. According to the DMHSAS, the cost of this evaluation would be \$250. Therefore, the increase in expenditures associated with evaluations will be \$60,500 (242 x \$250).
- It is estimated that 18 percent of the total individuals evaluated will have a mental health diagnosis, meaning that 44 (242 x 18%) will qualify for mandatory outpatient treatment.
- The average program of assertive community treatment (PACT) rate is \$19,147. Therefore, it is estimated that there would be an increase in expenditures of \$842,468 (\$19,147 x 44) for treatment in FY23-24.
- New York has similar legislation, *Kendra's Law*. A study of that law shows there is a carryover rate past 12 months of 62 percent. For the purposes of this analysis, it is assumed Tennessee will have the similar results. Therefore, there will be approximately 27 (44 x 62%) individual carryovers each year beginning in FY24-25.
- It is estimated that in FY24-25 and subsequent years approximately 71 (27 individuals from FY23-24 + 44 individuals) will be participating in mandatory outpatient treatment. For this analysis, it is assumed this number will remain constant in subsequent years.
- The total increase in expenditures for FY23-24 is estimated to be \$902,968 (\$60,500 for evaluations + \$842,468 for treatment).
- The total increase in expenditures for FY24-25 and subsequent years is estimated to be \$1,419,937 [(242 x \$250 assessment fee) + (71 x \$19,147 for treatment)].
- Approximately 73.5 percent of these expenditures will be paid in state funds resulting in state expenditures of \$663,681 (\$902,968 x 73.5%) in FY23-24 and \$1,043,654 (\$1,419,937 x 73.5%) in FY24-25 and subsequent years.
- Approximately 16.2 percent of these expenditures will be reimbursed by TennCare. Medicaid expenditures receive matching funds at a rate of 65.485 percent federal funds to 34.515 percent states funds. This will result in the following:
  - State expenditures of \$50,489 [(\$902,968 x 16.2%) x 34.515%] and federal expenditures of \$95,792 [(\$902,968 x 16.2%) x 65.485%] in FY23-24; and
  - State expenditures of \$79,395 [(\$1,419,937 x 16.2%) x 34.515%] and federal expenditures of \$150,635 [(\$1,419,937 x 16.2%) x 65.485%] in FY24-25 and subsequent years.
- The remaining 10.3 percent of expenditures will be reimbursed through private health insurance, private parties, Medicare, and other resources.
- The total increase in state expenditures in FY23-24 is estimated to be \$714,170 (\$663,681 + \$50,489).
- The total increase in federal expenditures in FY23-24 is estimated to be \$95,792.
- The total increase in state expenditures in FY24-25 and subsequent years is estimated to be \$1,123,049 (\$1,043,654 + \$79,395).
- The total increase in federal expenditures in FY24-25 and subsequent years is estimated to be \$150,635.
- It is assumed sheriffs can transport individuals within the counties that have a mental health court without a significant increase in expenditures.

- It is assumed that courts will be able to accommodate any increase in cases with existing resources.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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