

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: May 23, 2008
POSITION: Oppose

BILL NUMBER: SB 1606
AUTHOR: L. Yee

BILL SUMMARY

This bill would require the Department of Mental Health (DMH), in consultation with stakeholder groups, to conduct a study of individuals who are not currently eligible for Assisted Outpatient Treatment (AOT) programs but have mental health needs that may not be met through voluntary services. This study must identify the characteristics of this population and barriers to their accessing mental health services. This bill would require that the DMH report the study’s findings to the Legislature and the Governor by January 1, 2010. This bill would require that DMH accept funds from private nonprofit entities to fund the cost of this study. This study would only commence upon certification from Department of Finance (Finance) that enough funds are available to cover the costs of the study.

FISCAL SUMMARY

This bill would have significant fiscal impact to the DMH, due to the costs of organizing and holding various stakeholder discussions. Initial estimates suggest a workload for two limited-term positions and a \$220,000 cost.

This bill specifically requires the DMH to accept funds from private, non-profit entities, and undertake the study only upon Finance certification that enough funds are available to cover the costs of the study.

COMMENTS

Finance opposes this bill for the following reasons:

- This bill may be redundant, replicating the efforts of a 2001 Rand Corporation study. Additionally, the issues suggested to be studied have already been vetted prior to implementation of Laura’s Law.
- This bill would require the DMH accept all funds from private nonprofit entities, eliminating the DMH’s discretion in accepting funds.
- The types of data that would need to be collected from counties for this study is difficult to obtain, which may impede the ability of the DHM to complete the study as intended.

Analyst/Principal (0522) J. Doyle	Date	Program Budget Manager Michael Wilkening	Date
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Department Deputy Director	Date
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Governor's Office:	By:	Date:	Position Approved _____
			Position Disapproved _____

BILL ANALYSIS Form DF-43 (Rev 03/95 Buff)

AUTHOR

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ANALYSIS

A. Programmatic Analysis

Laura’s Law, (Chapter 1017, Statutes of 2002) allows courts in participating counties to order a person suffering from a mental illness to undergo AOT if the court finds by clear and convincing evidence that the requirements for AOT are met. AOT is an involuntary outpatient treatment program for psychotic or otherwise mentally ill persons that are at risk of poor outcomes.

The New York Office of Mental Health currently runs an AOT program, and reports that during their time in the AOT program, patients experienced a reduction of 57% in homelessness, 75% in incarcerations, and 59% in psychiatric hospitalizations. Statistics for patients who have completed their AOT programs shows that although some patients continue to experience difficulties, many patients experience fewer difficulties functioning.

Prior to implementing Laura’s Law, the Rand Corporation conducted an evidence-based review in 2001 of the data on involuntary outpatient treatment. They concluded that while effective, “the evidence...did not permit us to answer whether an involuntary outpatient treatment system in California is worth the additional costs to mental health treatment systems, the courts, and law enforcement.”

Presently, only Los Angeles County has implemented Laura’s Law on a limited basis. Nevada County has made plans to begin implementation soon. The complexity of the regulations governing this program, the controversial nature of involuntary treatment, and conflicting reports on program efficacy have made implementing this program very difficult.

B. Fiscal Analysis

Costs to consult with stakeholders from around the state and country through a series of information gathering meetings (forums) have been estimated at \$120,000. Costs for data analysis have been estimated at \$100,000, for a total of \$220,000. Two limited-term positions would be required. These costs would be a one-time cost.

A 2001 Rand Corporation study reported that involuntary outpatient treatment programs such as AOT, while effective, could not be proven a more cost effective treatment than state of the art community based treatment, due to the additional costs to local mental health systems, courts, and law enforcement.

Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)							Fund Code
	LA	(Dollars in Thousands)							
	CO	PROP							
	RV	98	FC	2008-2009	FC	2009-2010	FC	2010-2011	
4440/Mental Hth	SO	No		-----	See Fiscal Analysis	-----			0001