

Fiscal Note

BILL # SB 1578

TITLE: ~~involuntary treatment; substance abuse~~ NOW:
court-ordered treatment; substance abuse

SPONSOR: Wadsack

STATUS: Senate Engrossed

PREPARED BY: Maggie Rocker

Description

The bill would allow persons who have substance use disorders but no co-occurring mental disorders to be considered for court-ordered treatment (COT), if specified conditions are met.

Estimated Impact

We estimate that the bill would increase costs to AHCCCS for providing court-ordered treatment to persons with substance use disorders. AHCCCS estimates costs would increase by \$6.5 million Total Funds (\$1.7 million General Fund). The impact will ultimately depend on the frequency in which the courts utilize COT for substance use disorders.

We further anticipate that the bill would result in increased county court-ordered evaluation (COE) caseloads. The counties cited potential increased costs associated with screenings and evaluations, public defense, and personnel, but did not provide a precise fiscal impact estimate due to challenges with estimating the number of new cases driven by the bill.

We asked the Department of Health Services whether the bill would increase costs associated with COT provided by the Arizona State Hospital. We are awaiting a response.

Analysis

Current statute permits the Superior Courts to order treatment for individuals presenting a mental disorder if the petition for treatment alleges: 1) that the patient is a danger to themselves or to others because of the mental disorder or is gravely or persistently disabled, 2) appropriate treatment alternatives, and 3) that the patient is unwilling or unable to accept voluntary treatment. Persons with a substance use disorder without a co-occurring mental disorder may not be considered for COT.

Prior to a petition for COT, statute requires that 2 medical professionals provide a COE that determines the severity of the disorder and the individual's capacity to care for themselves. The cost of screenings and COEs are the financial responsibility of individual counties. Once a petition for COT is filed, the cost of treatment must be paid by an individual's insurance or out of pocket.

The proposed legislation would allow individuals with a substance use disorder diagnosed by a health professional to be considered for involuntary treatment if the disorder is severe, persistent, and results in the person being a danger to themselves or others or having a grave disability. The individual must also be found unwilling or unable to accept treatment voluntarily, from which the person could reasonably benefit.

The bill would generate costs to the counties to the extent that the bill's provisions increase COE caseloads. While the counties stated they do not have a reliable way of estimating the number of new cases that would result from this bill, they identified several areas that may see a fiscal impact:

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- Evaluation and Screening: Counties contract with providers or AHCCCS for pre-petition and screening services. If the bill increases caseloads, contract costs would also increase. According to data from Pima County, the first 3 days of evaluation cost approximately \$1,200 per day per individual.
- Public Defense: Counties must provide indigent defense services during the COE/COT process. The estimated cost per case per year is approximately \$500.
- County Attorney: County attorneys are responsible for presenting the government's case in these proceedings. The counties were unable to provide a per case per year cost.
- Courts: Additional costs may arise to the extent that additional Superior Court judges, commissioners, pro tempore judges, and support staff are required to process additional cases. Counties are responsible for funding 100% of the cost of court commissioners. However, any cost increase related to superior court judges would be jointly shared between the state and the county.

Beyond the cost of evaluation proceedings, we expect an increased cost to AHCCCS to accommodate higher COT caseloads. According to AHCCCS, the agency currently pays \$5,100 per member per month (PMPM) for court-ordered treatment for individuals with mental disorders. The agency expects an annualized fiscal impact of \$6.5 million Total Funds, or \$1.7 million General Fund.

Local Government Impact

See above.

3/21/24