

JLBC Fiscal Note

BILL # HB 2404

SPONSOR: Willoughby

PREPARED BY: Destin Moss

TITLE: ~~authorized transporters~~ NOW: transportation;
mental health; patients

STATUS: As Amended by House HHS

REVISED

Explanation of Revision

Our fiscal note published on 2/24 did not include feedback from either the Arizona Department of Administration (ADOA) or the Arizona Health Care Cost Containment System (AHCCCS). We have since received a response from AHCCCS with the agency's perspective on the bill's cost.

Description

The bill prohibits peace officers from conducting inter-facility transports of behavioral health patients unless emergency assistance is requested via 911 or a similar emergency number. It also requires these transports to be conducted by health care institutions, behavioral health facilities, or other authorized transporters. Inter-facility transport is defined as the transportation of a proposed patient between licensed health care or behavioral health facilities.

Estimated Impact

We estimate the bill will result in increased General Fund (GF) costs for AHCCCS of at least \$345,000 annually. These costs will arise from increased charges for interfacility transports. Our estimate is based on cost data provided by AHCCCS. We reached out ADOA to request their perspective on the bill's cost but have not yet received a response.

Analysis

Our estimate assumes the following:

- 1) Current law allows peace officers to conduct interfacility transports. We understand that police departments do not typically bill facilities to conduct such transports.
- 2) The bill would instead require transports to be conducted by health care institutions, behavioral health facilities, or other authorized transporters, and the cost of these private transport options would likely need to be paid by an individual or their insurance provider.
- 3) To the extent that interfacility transportation of individuals insured by AHCCCS or the state employee health plan shifts from peace officers to private transporters, the state will become responsible for reimbursing the cost of that transportation rather than local governments.
- 4) Based on testimony from the City of Phoenix at the House Health and Human Services Committee, the police departments for the cities of Phoenix, Tucson, and Mesa currently conduct an estimated 3,000 interfacility transports for behavioral health patients.
- 5) We also do not know what share of such transports are attributable to state employees and their dependents. As a result, we are unable to provide a plausible cost estimate for the bill's state health plan impact.
- 6) AHCCCS provided a range of estimates that extrapolate the 3,000-transport estimate provided in committee testimony proportionally by population, resulting in 8,333 assumed transports statewide, and assume a cost of \$180 per transport. The AHCCCS estimates range between \$150,000 and \$540,000 GF depending on the proportion of transports that would be covered by Medicaid. The low end assumes the proportion of transports will be equal to the proportion of Arizona's population covered by Medicaid, while the high end assumes all transports will be covered by Medicaid. We believe the midpoint of the AHCCCS estimate is most realistic, as we assume that AHCCCS coverage rates are higher for the SMI population than the general population.
- 7) The bill specifically targets inter-facility transports and does not impact the initial transport of an individual from the community to a health facility.