

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

BILL NUMBER: House Bill 1356 (First Edition)

SHORT TITLE: Increase Fees/Qualifs. for DWI Assessments.

SPONSOR(S): Representatives Alexander, Insko, and Sauls

FISCAL IMPACT					
	Yes (X)	No ()	No Estimate Available ()		
	<u>FY 2004-05</u>	<u>FY 2005-06</u>	<u>FY 2006-07</u>	<u>FY 2007-08</u>	<u>FY 2008-09</u>
REVENUES:					
Area Mental Health Authorities*	\$665,625	\$887,500	\$887,500	\$887,500	\$887,500
EXPENDITURES:					
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: Department of Health and Human Services					
EFFECTIVE DATE: October 1, 2004 for the fee change. See the bill summary for other effective dates in this bill.					
* Area Authorities will be required to divest all direct services under Mental Health Reform, including DWI assessments, within the next five-years. Divestiture will decrease and eventually eliminate the increased revenues listed above. Due to the uncertainty of when these services will be divested, Fiscal Research excluded the effect of Reform on this forecast. Please see the Assumptions and Methodology section for more details.					

BILL SUMMARY: House Bill 1356 makes several changes to the existing General Statutes governing substance abuse services provided through Area Mental Health Authorities to persons convicted of Driving While Intoxicated (DWI). Specifically, this bill makes changes to service requirements and the fee associated with DWI assessments that are either provided directly by the Area Authority or through a contract with a qualified private provider.

Section 1 – This section revises G.S. 122C-142.1 to add a subsection that sets the professional requirements for being a qualified DWI assessor. Qualified assessors are limited to the following: Certified Substance Abuse Counselors; Certified Clinical Addiction Specialists; Substance Abuse Counselor Interns who are supervised by Certified Clinical Supervisors; persons licensed by the North Carolina Medical Board or the North Carolina Psychology Board; and physicians certified

by the American Society of Addiction Medicine. These standards will become effective on October 1, 2005.

Section 2 – This section further revises the subsection of G.S. 122C-142.1 that is established in Section 1 of this bill. The professional requirements for providing DWI assessments are again changed to eliminate Substance Abuse Counselor Interns as a qualified assessor. This statutory change will become effective on October 1, 2008.

Section 3 – This section changes the fixed fee charged to offenders by providers of DWI assessment services. Currently, G.S. 122C-142.1 requires that providers charge \$50 to DWI offenders who receive an assessment. This section would increase the amount of that fee to \$100. This change will become effective on October 1, 2004.

Section 4 – This section revises Session Law 2003-396 to require the Mental Health, Developmental Disability, and Substance Abuse Services Joint Legislative Oversight Commission to study the service requirements and the fee associated with the Alcohol and Drug Education Traffic Schools.

ASSUMPTIONS AND METHODOLOGY: DWI Assessments are provided by a variety of providers, including the Area Mental Health Authorities and private providers. The fees charged by private providers pass directly from the DWI offenders to the private providers and have no fiscal impact to the State or local governments. *Since the Area Authorities are local governments, changes to the fee that the Area Authorities charge for DWI assessments will result in a fiscal impact.* By increasing the DWI assessment fee from \$50 to \$100, this bill will increase the revenues that Area Authorities collect for assessment services.

Assumptions

1. The percentage of certificates of completion, as defined in G.S. 122C-142.1, provided through services received at the Area Authorities is 32% of total certificates of completion administered in FY 2002-03.
2. The percentage of DWI assessments performed by the Area Authorities, out of total assessments performed in FY 2002-03, is equivalent to the percentage of certificates of completion provided by the Area Authorities stated in Assumption 1.
3. The number of DWI assessments in subsequent years will remain at the same level as FY 2002-03.
4. Delivery of DWI assessment services by the Area Authorities will not be impacted by the divestiture of Area Authority services through Mental Health System Reform Plan, developed pursuant to G.S. 122C-102. *Please see the note in the box on the front page and the discussion further down in this section regarding the impact of Mental Health Reform on DWI assessment services.*

Methodology

The Division of Mental Health, Developmental Disabilities, and Substance Abuse services could not provide, at this time, an accurate accounting of DWI assessments performed by the Area Authorities in FY 2002-03. The Division is still collecting this data. The Division was able to provide a total number of DWI assessments performed by all providers in FY 2002-03.

The Division was also able to provide Certificate of Completion data for FY 2002-03 by provider type. A Certificate of Completion is provided to DWI offenders when they complete the DWI assessment and all recommended treatment or education stemming from the assessment. Of all the Certificates of Completion issued, a portion is issued from the Area Authorities. Absent an accurate accounting of DWI assessments made by the Area Authorities, the Division felt that the percentage of Certificates of Completion issued by the Area Authorities would serve as a proxy for the percentage of DWI assessments.

Certificates of Completion Issued in FY 2002-03

Issuing Agency	# of Certificates	Percentage
Area Programs	6,832	32%
Private Providers	14,838	68%
Total	21,670	100%

Assessments Performed in FY 2002-03

Provider	DWI Assessments	Percentage
Area Program Estimate*	17,750	32%
Private Provider Estimate*	37,720	68%
Actual Total	55,470	100%

*Estimate based on the percentage of Certificates of Completion provided by Area Authorities in FY 2002-03

Through using the percentage of Certificates of Completion issued by the Area Authorities (32%), the FY 2002-03 number of DWI assessments performed by the Area Authorities was derived. This number (17,750) was factored with the \$50 increase of the existing DWI assessment fee. **The result is a total increase in annual revenue of \$887,500.** Assuming that the number of individuals seeking assessment remains relatively constant, this revenue increase would remain constant from FY 2004-05 to FY 2008-09, assuming no change in service delivery due to Mental Health System Reform. The only exception is FY 2004-05. Since this fee increase will not occur until October 1, 2004, the fee increase will only be reflected for the remaining nine months of the fiscal year.

Projected Increase in Revenues to Area Authorities

Estimated Assessments by Area Authorities	17,750
Fee Increase	\$50
Total Annual Increase in Revenues	\$887,500
Revenues in FY 2004-05, based on an October 1 effective date	\$665,625

Mental Health Reform

According to the State Plan being implemented pursuant to G.S. 122C-102, all direct services provided by the Area Authorities will be divested and delivered through contracts with private providers. This change will occur over the next several years and will result in all DWI assessments being delivered by the private providers. This will result in a decreasing of DWI assessment revenues received by Area Authorities, as the Authorities contract for assessment services.

The challenge in forecasting this decrease in revenues is that each Area Authority will decide how to divest of these assessment services. Different Area Authorities will divest DWI assessment services at different times, without statewide uniformity. Without uniformity in the divestiture of services or sufficient detailed divestiture plans from the Area Authorities, any forecast of the decrease in DWI assessment revenues would be arbitrary.

Fiscal Research chose instead to keep the expected revenues constant, isolating the impact of Reform. Legislators should be aware that Reform will likely result in these revenues decreasing for the Area Authorities and eventually ending within a five-year timeframe.

FISCAL RESEARCH DIVISION: (919) 733-4910

PREPARED BY: Jim Klingler

APPROVED BY: James D. Johnson, Director
Fiscal Research Division

DATE: May 19, 2004



Signed Copy Located in the NCGA Principal Clerk's Offices