

Department of Planning and Budget 2001 Fiscal Impact Statement

1. Bill Number HB2595

House of Origin	<input checked="" type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
Second House	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

2. Patron McDonnell

3. Committee Health, Welfare & Institutions

4. Title Licensing of services providers

5. Summary/Purpose: This bill revises and updates statutory provisions governing the licensing of community mental health, mental retardation and substance abuse programs and services. These revisions are based on the current practice of most services being provided in community settings, rather than facilities and institutions. The revisions assure greater protections for consumers served by the current array of community service providers by authorizing the Department of Mental Health, Mental Retardation and Substance Abuse Services (DMHMRSAS) to focus on specific risks to consumers and by more clearly linking licensing and human rights protections. The bill also provides for exemptions from unannounced inspections based on the compliance history of a provider.

6. No Fiscal Impact.

7. Budget amendment necessary: No.

8. Fiscal implications: These revisions ensure that DMHMRSAS' licensing authority applies to services in new and innovative community settings that are being developed statewide. This legislation is essential to the Department's restructuring plan. The plan proposes the expansion of services such as acute care provided in community inpatient settings, Programs of Assertive Treatment (PACT), gero-psychiatric residential services, telepsychiatry services, etc. This legislation identifies specific services for which providers are to be licensed by the Department. Language revisions more accurately reflect that the majority of consumers are served in community settings by qualified providers. Services are no longer provided only in facilities and institutions but in new and innovative settings such as outpatient, partial hospitalization, day treatment, and even crisis street teams.

The majority of these language updates are not expected to require additional staffing resources in order for the services to be licensed. However, two areas are projected to impact staffing resources. Amendment of the State Medical Assistance Plan will be needed to create a Medicaid-reimbursable community gero-psychiatric residential service. It is anticipated that amendment of the Plan for these services will not begin to be implemented until late in FY 2003. Data is not sufficient at this time to determine staffing requirements for licensing of this service.

The second area projected to impact staffing resources is the licensing of case management services. Revisions to licensing regulations will contain case management standards and could be promulgated as early as January 1, 2002. It is projected that all forty Community Services Boards (CSBs)/ Behavioral

Health Authorities (BHAs), which currently provide case management services, will need to be licensed in the six months from 1/1/02 to 6/30/02 (FY 2002). It is expected that no private case management services would need to be licensed before 7/1/02. However, sufficient data is not available at this time to project the number of private case management providers after that date and the potential staffing impact for licensing.

Although no conditional licenses would be required for case management services, all forty CSBs/BHAs would require a two-day site visit during the second part of FY 2002 (January through June 2002). Visits to some of the forty sites would already be incorporated in the planned workload and would not require a duplicative visit. New case management services licensing requirements would increase the amount of time for record review and other associated licensing activities.

It is projected that an additional 1.3 FTEs would be needed for this 6-month period to license the case management service for these forty CSBs/BHAs by the end of FY 2002. A temporary adjustment of other workload functions will be essential. For the second six months of FY 2002, this would likely result in the delay of approximately 16% of the scheduled annual inspections. Of the 664 scheduled visits from January to June, 2002, about 105 would be delayed. Since the bill contains proposed changes to the requirements for annual visits, the Department would have new flexibility in determining the number of visits to make, and could accommodate this increased workload.

Beginning in FY 2003, it is anticipated that complaints and resultant reviews will increase because of this newly licensed program. Preliminary projections show that approximately .70 FTE are needed to accommodate this program growth on an on-going basis. However, if the number of annual inspections were delayed by approximately 9% (delay of visits to about 117 of the 1,328 normally scheduled inspections), then existing staff resources could be utilized for this expanded program.

It is anticipated that no additional staffing resources will be needed at the initial implementation of this legislation through FY 2003. However, it will be essential to research and review data as it becomes available to determine if there is an emergence of new service providers because of the Department's restructuring plan and this concomitant legislation.

9. Specific agency or political subdivisions affected: Community Services Boards

10. Technical amendment necessary: No.

11. Other comments: This bill is a companion to SB 1159.

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cc: Secretary of Health and Human Resources

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