

## Department of Planning and Budget 2001 Fiscal Impact Statement

**1. Bill Number** SB1159

**House of Origin** ☐ Introduced ☐ Substitute ☐ Engrossed

**Second House** ☐ In Committee ☐ Substitute ☒ Enrolled

**2. Patron:** Hanger

**3. Committee:** Passed Both Houses

**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. It also provides that confidentiality of records shall be maintained.

**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 such as expanded services for acute care provided in community inpatient settings, Programs of Assertive Treatment (PACT), gero-psychiatric residential 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 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.

In light of the heavy workload that will be needed for the 6-month period to initially license the case management service for these forty CSBs/BHAs from January to June 2002, licensing staff procedures and workload are being analyzed. It is anticipated that this review will result in opportunities for increased efficiencies of existing staff resources and will identify potential work activities that could be delayed during this six-month period. In addition, there will likely be, beginning in FY2003, an increase of complaints and resultant reviews because of this newly licensed program. It will be important that existing staff resources are maximized to meet both of these activities, given the skills and abilities that these staff have and continue to develop for licensing the services. At this time, it is projected that these improved processes will negate the need for additional staff resources for this new service.

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.

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

**10. Technical amendment necessary:** No.

**11. Other comments:** None.

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