

DMHMRSAS Information for

Department of Planning and Budget 2002 Fiscal Impact Statement

1. **Bill Number** SB504

House of Origin ☐ Introduced ☐ Substitute ☐ Engrossed
Second House ☐ In Committee ☐ Substitute ☒ Enrolled

2. **Patron** Bolling

3. **Committee** Passed Both Houses

4. **Title** Licensure

5. **Summary/Purpose:** This bill amends §§ 37.1 -179 and 37.1 -179.1 and § 51.5 -14.1 relating to the licensure of providers of services. It adds days support, in -home support and crisis stabilization services funded through the Individual and Families Developmental Disabilities (DD) Support Waiver to the list of services licensed by the Department of Mental Health, Mental Retardation and Substance Abuse Services (DMHMRSAS). It requires the Department of Rehabilitative Services to collaborate with DMHMRSAS in activities related to the licensing of providers of services under the DD Waiver.

6. **No Fiscal Impact.**

7. **Budget amendment necessary:** No.

8. **Fiscal implications** The Department of Medical Assistance Services (DMAS) received approval to offer the Individual and Family Developmental Disabilities Support Waiver effective July 1, 2000. The DD Waiver currently offers thirteen services including day support, in -home support and crisis stabilization services. There is an existing provider base for these services through the Mental Retardation Waiver; however, a base does not exist for those service providers who do not serve people with mental retardation. In order for providersto offer these services to those who qualify for the DD Waiver, they must be licensed.

Currently the DD Waiver has 230 consumer slots, many of which are full with recipients receiving services from providers already licensed by DMHMRSAS for MR services. According to data provided by DMAS, there are 61 people who have sought DD Waiver services but not been able to receive them (in -home: 35; days support: 18; crisis stabilization: 9). It is anticipated that licensing requirements would be needed for two to four new providers for these people. In -home and crisis stabilization services for adults generally are not problematic services to license, in that concerns about abuse are somewhat less and there are generally fewer complaints and violations.

With a limited number of additional new providers and few anticipated investigations of complaints and/or violations, the agency maintains that the additional workload requirements for licensing for these DD Waiver services could be handled by the current DMHMRSAS licensure program within its existing resources.

9. Specific agency or political subdivisions affected: Department of Mental Health, Mental Retardation and Substance Abuse Services; Department of Rehabilitative Services.

10. Technical amendment necessary: No.

11. Other comments: It is important to note the constraints under which the Office of Licensing currently operates. With only 12 staff, the Office monitors compliance with its rules and regulations for over 450 provider organizations that operate over 1,000 services of care for Virginians with mental illness, mental retardation or substance abuse treatment needs. All providers of Mental Retardation Waiver services are now required to be licensed by DMHMRSAS, as well as the new services: case management, Assertive Community Treatment and community geropsychiatric residential services. Adult Living Facilities, previously licensed by the Department of Social Services, now seek licensing from DMHMRSAS. Due to these new responsibilities and the effects of an annual 5% increase in the number of provider organizations between FY 1997 to FY 2001 (and projection that the number will continue to grow), DMHMRSAS submitted a budget request for 3 new licensing positions in FY 2003. The need was not funded due to a lack of resources. With this additional new licensing requirement, an ever-increasing workload may outpace the reasonable case load assignments for the existing number of licensure staff. As is the case with the agency's current provider organizations, it is possible that future demands for the DD Waiver services will increase.

Given the current budget situation and the reductions that will be required within the agency, shifting agency resources internally to meet the increasing needs of Licensure would only result in inadequacies elsewhere in the system. Should the continued growth in licensure activities negatively impact the Office, the agency should consider charging fees for all licensure services performed by DMHMRSAS.

Date: 2/22/02/jlv

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cc: Secretary of Health and Human Resources