

## Department of Planning and Budget

### 2020 Fiscal Impact Statement

**1. Bill Number:** HB1100

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

**2. Patron:**        Betsy B. Carr

**3. Committee:** General Laws

**4. Title:**         State Inspector General; powers and duties.

**5. Summary:** Requires the State Inspector General to establish procedures governing the intake and investigation of complaints alleging fraud, waste, abuse, or corruption by a state agency or nonstate agency or by any officer or employee of a state agency or nonstate agency. At a minimum, the procedures must (i) provide for the State Inspector General, or his designee, to review each decision to dismiss an allegation reported to the State Fraud, Waste, and Abuse Hotline at the initial intake stage without further investigation, (ii) require investigators designated by the State Inspector General to directly investigate allegations of serious administrative violations and provide for other agency internal audit divisions to investigate allegations meeting certain specified criteria, only if the internal audit division has demonstrated the ability to conduct investigations in an independent, effective, and timely manner, (iii) require oversight by the Office of the Inspector General of all investigations referred to other agencies to ensure the quality, timeliness, and independence, and (iv) develop a process for the regular review of the status of recommendations made by the Office of the Inspector General. The bill also clarifies the duty of the State Inspector General to provide oversight of the Department of Behavioral Health and Developmental Services and community-based providers to identify system-level issues and conditions affecting quality of care and safety and provide recommendations to alleviate such issues and conditions. The bill removes the requirement for the State Inspector General to refer complaints alleging involving allegations against a public institution of higher education or any of its officers or employees to refer such complaint to the internal audit division of the institution. This bill is a recommendation of the Joint Legislative Audit and Review Commission.

**6. Budget Amendment Necessary:** See Item 8.

**7. Fiscal Impact Estimates:** Indeterminate, see Item 8.

**8. Fiscal Implications:** The Office of the State Inspector General (OSIG) indicates this bill presents no fiscal impact to their office.

The Department of Behavioral Health and Developmental Services (DBHDS) Office of Human Rights, Office of Internal Audit, and each of the thirteen state facilities have experienced a dramatic increase in requests for support by the Office of the State Inspector

General (OSIG) to investigate complaints over the past two years. As noted in a report issued in September, 2019, by the Joint Legislative Audit and Review Commission (JLARC), DBHDS investigated 32 percent of complaints received by OSIG in FY 2018 and 85 percent of complaints received by OSIG in FY 2019. As of January 8, 2020, at least 292 complaints have been received this fiscal year and the volume of referrals for investigation from OSIG to DBHDS has increased. The anticipated number of calls is projected to continue to increase in FY 2020 without changes to current law.

The increased volume of investigative work has been absorbed by DBHDS to date, but the current rate of referral by OSIG is not sustainable if the number of referred complaints continues to increase. Under this legislation, additional efforts to promote awareness of the OSIG-operated complaint line would exacerbate this issue and further impact DBHDS staff's ability to perform their assigned duties.

DBHDS estimates that handling the increase in referrals as a result of increasing awareness of the complaint line and would require an additional two to three full-time employees. The role of these positions would be similar to that of a licensing specialist, for which the current average annual salary and fringe is \$98,252. The cost of the additional DBHDS staff would be between \$196,504 and \$294,756 annually.

- 9. Specific Agency or Political Subdivisions Affected:** Office of the State Inspector General, Department of Behavioral Health and Developmental Services

- 10. Technical Amendment Necessary:** No.

- 11. Other Comments:**