

## Department of Planning and Budget 2023 Fiscal Impact Statement

**1. Bill Number:** SB1155

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

**2. Patron:** Mason

**3. Committee:** Education and Health

**4. Title:** Providers of behavioral health and developmental services; licensing; inspection.

**5. Summary:** Modifies the requirements for inspections of services provided by a licensed provider of behavioral health and developmental services. The bill removes the requirement that an inspection is conducted annually and replaces it with a requirement that an inspection is conducted at least once during the licensing period. The bill removes an evaluation of physical facilities where services are provided from the inspection requirements.

**6. Budget Amendment Necessary:** No.

**7. Fiscal Impact Estimates:** No fiscal impact.

**8. Fiscal Implications:** There are currently approximately 1,025 triennial license holders. Current law would require these providers be inspected on an annual basis. This change would reduce workload by approximately 8 hours per licensee over a three-year period. However, given a significant increase in new providers, the demand for licensing staff is resulting in a backlog of inspections and the agency has struggled to meet current requirements. It is not anticipated that the Department would be able to reduce the number of licensing inspectors as a result, but the reduced burden may result in cost avoidance in the future if there is a reduced need for additional licensing staff.

For reference, the Office of Licensing is currently funded for 34 licensing specialist positions. In Virginia, the average caseload for a licensing specialist is 106 services and 339 locations. According to the National Association for Regulatory Administration (NARA), the national average caseload is 88 locations per licensing specialist compared to Virginia's 339 locations per specialist.

**9. Specific Agency or Political Subdivisions Affected:** Department of Behavioral Health and Developmental Services.

**10. Technical Amendment Necessary:** No.

**11. Other Comments:** The amended version of the bill requires the continuation of annual inspections required under the settlement agreement with the U.S. Department of Justice. While it is not clear when the agreement period will officially end, it is the expectation that the general terms of the agreement will continue, including annual inspections for those services provided to the population covered by the agreement.

This bill is a companion to HB2255.