

**FISCAL ESTIMATE FORM**

1999 Session

ORIGINAL  
 CORRECTED

UPDATED  
 SUPPLEMENTAL

**LRB #- 4465/2**

**INTRODUCTION # AB 895**

Admin. Rule #

**Subject**

Changes to Programs Administered by the Department of Health and Family Services

**Fiscal Effect**

State:  No State Fiscal Effect

Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation.

Increase Costs - May be possible to Absorb Within Agency's Budget  Yes  No

- Increase Existing Appropriation
- Decrease Existing Appropriation
- Create New Appropriation
- Increase Existing Revenues
- Decrease Existing Revenues

Decrease Costs

Local:  No local government costs

- 1.  Increase Costs
  - Permissive
  - Mandatory
- 2.  Decrease Costs
  - Permissive
  - Mandatory

- 3.  Increase Revenues
  - Permissive
  - Mandatory
- 4.  Decrease Revenues
  - Permissive
  - Mandatory

5. Types of Local Governmental Units Affected:

- Towns
- Villages
- Cities
- Counties
- Others \_\_\_\_\_
- School Districts
- WTCS Districts

**Fund Sources Affected**

GPR  FED  PRO  PRS  SEG  SEG-S

**Affected Ch. 20 Appropriations**

s.20.435 (2) (a), (2)(gk), (4) (b)

**Assumptions Used in Arriving at Fiscal Estimate:**

This bill contains various provisions related to programs administered by the Department of Health and Family Services, including the mental health institutes, HIV/AIDS, Long Term Care, child abuse protection, adoption and relief block grants to tribes.

Restraint and Seclusion at the Mental Health Institutes

The Health Care Financing Administration (HCFA) has recently promulgated new rules governing the use of restraint and seclusion in hospitals. Under these new regulations, restraint and seclusion will be a much more tightly regulated activity. Currently the MHIs employ a number of measures, such as one-on-one staffing for a patient, team intervention as alternatives to restraint and seclusion. Current staffing levels at the Institutes will not allow the MHIs to rely solely on alternative measures, however. To meet the new federal standards will require additional staff. This bill provides \$875,800 GPR and 17.6 GPR FTE and \$1,174,200 PR annually to the Department so that it can meet the new regulations. Of this, \$242,600 GPR is required for Medical Assistance costs and the remaining \$633,200 GPR and \$1,174,200 PR is provided for staff costs associated with this request.

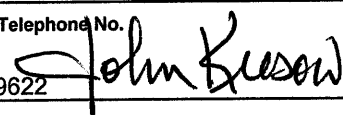
COP

This bill eliminates the eight-bed restriction under COP-R and the four-bed restriction under COP-W/CIPII for provision of services in a CBRF and limits service provision to 20-bed CBRFs, unless otherwise approved by DHFS under current standards. Currently, use of COP-R funds to provide services in CBRFs is restricted to eight-bed facilities and use of COP-W/CIPII funds to provide services in CBRFs is restricted to four-bed facilities, unless certain standards are met.

Long-Range Fiscal Implications:

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Date  
March 23, 2000

Currently, counties may provide COP funded services for clients in CBRFs with greater than eight beds if the CBRF meets certain conditions. In 1998, there were 640 elderly clients and 25 physically disabled clients receiving COP funded services in CBRFs that had greater than eight beds. If counties shift clients from COP funding, which is 100% GPR funded, to COP-W/CIPII funding, which is funded approximately 40% GPR and 60% federal Medicaid funds, additional federal Medicaid funds will be claimed to cover the 60% federal match for these new waiver clients. Counties will be able to use the GPR funds that will become available when COP-R clients are moved to COP-W/CIPII for other COP program needs. Because the Department does not have precise information on CBRF size and CBRF costs for all existing COP clients, it is not possible to estimate the amount of additional federal revenue.

There will be no fiscal effect on the Department as a result of other provisions of this bill.

**FISCAL ESTIMATE WORKSHEET**

Detailed Estimate of Annual Fiscal Effect

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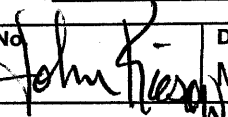
Changes to Programs Administered by the Department of Health and Family Services

**I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):**

<b>II. Annualized Costs:</b>		<b>Annualized Fiscal impact on State funds from:</b>	
		<b>Increased Costs</b>	<b>Decreased Costs</b>
<b>A. State Costs by Category</b>			
State Operations - Salaries and Fringes		\$ 1,747,200	\$ -
(FTE Position Changes)		( 17.6 FTE)	(- FTE)
State Operations - Other Costs		60,200	-
Local Assistance			-
Aids to Individuals or Organizations		242,600	-
<b>TOTAL State Costs by Category</b>		<b>\$ 2,050,000</b>	<b>\$ -</b>
<b>B. State Costs by Source of Funds</b>		<b>Increased Costs</b>	<b>Decreased Costs</b>
GPR		\$ 875,800	\$ -
FED		1,174,200	-
PRO/PRS			-
SEG/SEG-S			-
<b>State Revenues</b> Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)		<b>Increased Rev.</b>	<b>Decreased Rev.</b>
GPR Taxes		\$	\$ -
GPR Earned			-
FED		See fiscal note.	-
PRO/PRS			-
SEG/SEG-S			-
<b>TOTAL State Revenues</b>		<b>\$</b>	<b>\$ -</b>

**NET ANNUALIZED FISCAL IMPACT**

	<u>STATE</u>	<u>LOCAL</u>
NET CHANGE IN COSTS	\$ 2,050,000	\$
NET CHANGE IN REVENUES	\$	\$

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