



## Fiscal Estimate Narratives

DHS 10/10/2013

LRB Number	<b>13s0118/1</b>	Introduction Number	<b>ASA1- AB270</b>	Estimate Type	<b>Supplemental</b>
<b>Description</b> Additional providers in and requirements for the volunteer health care provider program and proof of financial responsibility and malpractice insurance requirements for certain advanced practice nurses serving as volunteer health care providers					

### Assumptions Used in Arriving at Fiscal Estimate

Assembly Substitute Amendment 1 to AB 270 transfers administration of the Volunteer Health Care Provider Program from the Department of Administration (DOA) to the Department of Health Services (DHS). In addition, it expands the list of health care professionals who may participate in the program to include licensed psychologists, marriage and family therapists, and professional counselors; certified social workers; and advanced practice nurses who are certified to issue prescription orders. The amendment also assigns new requirements to nonprofit agencies participating in the program.

Under current law, health care professionals who provide services as part of the Volunteer Health Care Provider Program are considered to be state agents of DHS for the provision of these services. If a civil action arises out of an act committed by the provider during the lawful course of that person's duties, the state provides legal counsel and pays the cost of any judgments against the provider. Volunteer health care providers must submit a joint application with the nonprofit agency, school board, or school governing body to DOA to participate in the program. Providers volunteering at schools must provide proof of certification. DOA staff verifies each volunteer license in the Department of Safety and Professional Services' (DSPS) database before approving a joint application. DOA also confirms each agency's nonprofit status and that the agency provides health care services. Once approved, joint applications are valid for a period of one year and must be renewed.

This amendment transfers administration of the Volunteer Health Care Provider Program from DOA to DHS. In addition, it shifts and strengthens oversight requirements by assigning several new duties to nonprofit agencies that utilize volunteer health care providers. Under the amendment, the board of directors of a nonprofit agency would assume responsibility for approving volunteer health care providers. Prior to submitting a joint application to DHS, nonprofit agencies would be required to research and validate volunteer credentials. Nonprofit agencies would also monitor volunteers participating in the program and be able to terminate participation if they question credentials or disapprove of practices. Nonprofit agencies would be required to enter information about their volunteers into an online electronic system, developed and maintained by DOA and used by DHS. The amendment would not change requirements for public schools, private schools, or charter schools.

The Department expects that transferring administration of the Volunteer Health Care Provider Program from DOA to DHS will generate additional workload that cannot be absorbed. Also, it anticipates that workload will increase since the amendment would allow additional volunteer health care providers to participate in the program. The Department would be required to provide volunteer health care provider forms for initial and renewal applications and to review volunteer health care provider joint applications for approval. Currently, approximately 90 nonprofit clinics and 1,200 volunteers are participating in the program. This amount has roughly doubled over the previous five years. DHS estimates that it will need 0.50 FTE Human Services Program Coordinator to administer the program, which would be an annual cost of \$33,500 GPR for salary, fringe, and supplies and services plus a onetime office setup cost of \$2,500 GPR. This estimate assumes that DOA will bear the cost of developing and maintaining the cost of the online system.

Since volunteer providers currently function as agents of DHS for provision of volunteer services, DHS will not incur increased liability costs by transferring the Volunteer Health Provider Program from DOA. However, it is possible that expanding the categories of providers who may participate in the program could lead to greater liability. Alternatively, transfer of certification responsibilities to nonprofit agencies under the amendment could reduce any potential liability. In the event of a claim, DHS may have recourse against the nonprofit agency's Board of Directors. In addition, the amendment provides that state agency status is not applicable if DHS withdraws a volunteer health care provider's application, thus limiting state liability.

DHS has never paid a claim under the program, which is covered through medical malpractice insurance. DHS participates in a pool composed of four agencies, including the University of Wisconsin System, the Department of Corrections, and the Department of Veterans Affairs. Premiums are calculated based on the average of the previous six years of paid losses as compared to the other three agencies. That percentage is then multiplied by the total need for the year. Therefore, DHS medical malpractice insurance premiums would only increase if the Department is required to pay a loss. DHS paid \$106,000 in FY 13 for medical malpractice insurance for all of its programs and staff.

The amendment requires nonprofit agencies to prepare and submit an annual report to DHS that includes the type and number of health care services provided. At this time DOA has very limited information about services provided. The reporting requirement will help DOA better assess the level of risk and potential liability associated with the Volunteer Health Care Provider Program.

In conclusion, Substitute Amendment 1 transfers administration of the Volunteer Health Care Provider Program from DOA to DHS, creating additional workload that the department cannot absorb. The Department will need an additional 0.50 FTE, which is an annual cost of \$33,500 GPR plus a onetime cost of \$2,500 GPR, to oversee the program and review joint applications. In addition, costs associated with medical malpractice insurance are indeterminate. While increasing nonprofit agency oversight and adding reporting requirements may lead to reduced risk, expansion of the type of health care providers that may participate in the program could expose DHS to greater liability.

### **Long-Range Fiscal Implications**

## Fiscal Estimate Worksheet - 2013 Session

Detailed Estimate of Annual Fiscal Effect

Original     
  Updated     
  Corrected     
  Supplemental

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<b>I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):</b>  Under Substitute Amendment 1 to AB 270, the Department will need \$2,500 GPR for onetime office set up costs.			
<b>II. Annualized Costs:</b>		<b>Annualized Fiscal Impact on funds from:</b>	
		Increased Costs	Decreased Costs
<b>A. State Costs by Category</b>			
State Operations - Salaries and Fringes	\$25,700		\$
(FTE Position Changes)	(0.5 FTE)		
State Operations - Other Costs	7,800		
Local Assistance			
Aids to Individuals or Organizations			
<b>TOTAL State Costs by Category</b>	<b>\$33,500</b>		<b>\$</b>
<b>B. State Costs by Source of Funds</b>			
GPR	33,500		
FED			
PRO/PRS			
SEG/SEG-S			
<b>III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, ets.)</b>			
	Increased Rev		Decreased Rev
GPR Taxes	\$		\$
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
<b>TOTAL State Revenues</b>	<b>\$</b>		<b>\$</b>
<b>NET ANNUALIZED FISCAL IMPACT</b>			
	<u>State</u>		<u>Local</u>
NET CHANGE IN COSTS	\$33,500		\$
NET CHANGE IN REVENUE	\$		\$
<b>Agency/Prepared By</b>			
DHS/ Darlene Sliwa (608) 266-8155		<b>Authorized Signature</b>	
		Andy Forsaith (608) 266-7684	
		<b>Date</b>	
		10/10/2013	