

Fiscal Estimate - 2017 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 17-0422/1	Introduction Number AB-0863
------------------------------------	---

Description
 Video recording of surgical procedures, providing an exemption from emergency rule procedures, granting rule-making authority, requiring the exercise of rule-making authority, and providing penalties

Fiscal Effect

State:

<input type="checkbox"/> No State Fiscal Effect	<input type="checkbox"/> Indeterminate	<input type="checkbox"/> Increase Existing Revenues	<input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget
<input type="checkbox"/> Increase Existing Appropriations	<input type="checkbox"/> Decrease Existing Appropriations	<input type="checkbox"/> Decrease Existing Revenues	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Create New Appropriations			<input type="checkbox"/> Decrease Costs

Local:

<input type="checkbox"/> No Local Government Costs	<input type="checkbox"/> Indeterminate	5. Types of Local Government Units Affected	
1. <input type="checkbox"/> Increase Costs	3. <input type="checkbox"/> Increase Revenue	<input type="checkbox"/> Towns	<input type="checkbox"/> Village <input type="checkbox"/> Cities
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Counties	<input type="checkbox"/> Others
2. <input type="checkbox"/> Decrease Costs	4. <input type="checkbox"/> Decrease Revenue	<input type="checkbox"/> School Districts	<input type="checkbox"/> WTCS Districts
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		

Fund Sources Affected	Affected Ch. 20 Appropriations
<input checked="" type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.435 (6)(a)	

Agency/Prepared By DHS/ Lindsay Blang (608) 266-9363	Authorized Signature Andy Forsaith (608) 266-7684	Date 2/7/2018
--	---	-------------------------

Fiscal Estimate Narratives

DHS 2/7/2018

LRB Number	17-0422/1	Introduction Number	AB-0863	Estimate Type	Original
Description					
Video recording of surgical procedures, providing an exemption from emergency rule procedures, granting rule-making authority, requiring the exercise of rule-making authority, and providing penalties					

Assumptions Used in Arriving at Fiscal Estimate

This bill creates a requirement for hospitals, ambulatory surgical centers, or any other places where surgical procedures are performed (surgical facilities) to offer surgical patients the option to have their surgical procedures and discharge instructions videotaped. The surgical facility may charge a surcharge of up to \$25 for each recording. Under this bill, the Department of Health Services (DHS) is required to promulgate rules, including establishing standards relating to the recording equipment and the recording.

Under this bill, costs to GPR will increase by increasing the staff time for rulemaking, the development of request forms, conducting compliance surveys and complaint investigations, and implementing required enforcement penalties. Using planned regulatory workload for the current year and other recent data, the following cost estimate was arrived at.

This bill will result in one-time and ongoing costs to the Department. These costs must be funded by 100% GPR because the bill creates state-only regulations. Under this bill, it is estimated that the one-time costs to promulgate rules to establish the requirements for videotaping surgical procedures would require 1,000 hours of staff time at a cost of \$40,518 GPR. Additionally, one-time costs for establishing standards, procedures, and forms for advance requests for recording would require 200 hours of staff time at a cost of \$10,504 GPR. This bill would increase ongoing costs by increasing the complexity and workload of compliance surveys. It is estimated that conducting compliance surveys to implement this bill would require an additional 75 hours of staff time annually at a cost of \$7,343 GPR. This estimate is based on 16 hospital and 9 ambulatory surgical center surveys the Department plans for federal fiscal year 2018. It is estimated that conducting complaint investigations related to the provisions of this bill would require 160 hours of staff time at an annual cost of \$12,832 GPR. This is based on an estimated 10 hospital complaints and 10 ambulatory surgical center complaints per year. Additionally, it is estimated that the cost to implement the forfeiture procedures under the provisions of this bill for 10 forfeitures annually would require 40 hours of staff time at an annual cost of \$4,820 GPR. Under this bill, a forfeiture of up to \$25,000 may be assessed for each violation. Based on an estimated 20 complaints per year, this would result in up to \$500,000 in revenue for the injured patients and families compensation fund. In total, this bill will increase one time GPR costs by \$58,522 and ongoing GPR costs by \$17,495 and 0.13 FTE. If funding and FTE are not received to implement this bill, the result would be an inability to conduct the compliance surveys and delays in conducting complaint investigations.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2017 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

LRB Number 17-0422/1	Introduction Number AB-0863	
Description Video recording of surgical procedures, providing an exemption from emergency rule procedures, granting rule-making authority, requiring the exercise of rule-making authority, and providing penalties		
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect): \$58,522		
II. Annualized Costs:	Annualized Fiscal Impact on funds from:	
	Increased Costs	Decreased Costs
A. State Costs by Category		
State Operations - Salaries and Fringes	\$17,495	\$
(FTE Position Changes)	(0.2 FTE)	
State Operations - Other Costs		
Local Assistance		
Aids to Individuals or Organizations		
TOTAL State Costs by Category	\$17,495	\$
B. State Costs by Source of Funds		
GPR	17,495	
FED		
PRO/PRS		
SEG/SEG-S		
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, ets.)		
	Increased Rev	Decreased Rev
GPR Taxes	\$	\$
GPR Earned		
FED		
PRO/PRS		
SEG/SEG-S		
TOTAL State Revenues	\$	\$
NET ANNUALIZED FISCAL IMPACT		
	<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS	\$17,495	\$
NET CHANGE IN REVENUE	\$	\$
Agency/Prepared By		
Authorized Signature		Date
DHS/ Lindsay Blang (608) 266-9363		2/7/2018
Andy Forsaith (608) 266-7684		