

Fiscal Estimate - 2001 Session

Original Updated Corrected Supplemental

LRB Number 01-3346/1		Introduction Number SB-211	
Subject			
Mandatory overtime for health care workers			
Fiscal Effect			
State:			
<input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate			
<input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Create New Appropriations	<input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Revenues	<input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Decrease Costs	
Local:			
<input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate			
1. <input checked="" type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input checked="" type="checkbox"/> Mandatory	3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	5.Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input checked="" type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts	
2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		
Fund Sources Affected		Affected Ch. 20 Appropriations	
<input checked="" type="checkbox"/> GPR <input checked="" type="checkbox"/> FED <input checked="" type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS			
Agency/Prepared By		Authorized Signature	Date
DHFS/ Ellen Hadidian (608) 266-8155		Fred Ellen Bove (608) 266-2907	08/31/2001

Fiscal Estimate Narratives

DHFS 09/05/2001

LRB Number	01-3346/1	Introduction Number	SB-211	Estimate Type	Original
Subject					
Mandatory overtime for health care workers					

Assumptions Used in Arriving at Fiscal Estimate

This bill prohibits a health care facility from requiring a direct care employe to work more than 40 hours per week without the employe's consent. Currently direct care staff, such as nurses and residential care treatment staff, can be required to work overtime when other staff is not available.

The Department operates five health care facilities: Mendota Mental Health Institute, Winnebago Mental Health Institute, Southern Wisconsin Center, Northern Wisconsin Center and Central Wisconsin Center. The Mental Health Institutes (MHIs) are funded by GPR and PR, with Medical Assistance contributing approximately 50% of the revenue for program revenue expenses. The remaining 50% is funded by charges to counties and other third-party payers. The Centers for the Developmentally Disabled are funded by program revenue. The Medical Assistance program is the primary source of revenue for the Centers.

Currently the state mandates that state facilities must budget a 3% vacancy rate annually. Facilities' salary budgets are reduced by 3% to reflect this requirement. In order to ensure that no mandatory overtime is required, it is assumed that this turnover savings would be eliminated, because positions that provide direct care to patients would have to be filled at all times. The cost of ending turnover reductions at the MHIs and Centers is estimated at \$1,493,000 GPR, \$2,215,000 PR and \$1,160,100 FED annually.

Even if the vacancy rate is reduced to 0%, additional staff would be required to provide coverage for workers who are sick, on vacation, maternity leave, etc. Although each facility has an overtime budget, current overtime costs generally exceed this budget. It is assumed that additional staff would have to be hired to make sure that no overtime is forced. The amount that facilities currently expend on overtime would be converted to salary to fund new positions. Funding for the fringe costs of these positions would also have to be added.

It is estimated that it would require \$1,363,700 GPR and 17.35 GPR FTE, \$2,531,400 PR and 118.26 PR FTE and \$1,421,300 FED annually to provide sufficient staff to ensure that no mandatory overtime is required at the MHIs or Centers, including the Medical Assistance costs of supporting the positions at the Centers and MHIs. The total cost of this provision to the state would be \$2,856,700 GPR and 17.35 GPR FTE, \$4,746,400 PR and 118.26 PR FTE and \$2,581,400 FED.

At health care facilities, the number of direct care positions is inflated by .65, referred to as the post-shift factor, to provide extra positions to cover care that must be provided on each shift, even when employes are on vacation or using sick leave. However, since these absences do not occur evenly throughout the year, it is likely that facilities would still incur overtime costs, even when overtime is no longer mandatory. It is not possible to estimate what these costs would be.

It is estimated that the increased cost to the counties will be \$127,500. This increase would result from the increased cost of care to those patients at the Mental Health Institutes for which the counties are responsible.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2001 Session

Detailed Estimate of Annual Fiscal Effect

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 Corrected
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Subject			
Mandatory overtime for health care workers			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes		\$5,821,300	
(FTE Position Changes)		(135.6 FTE)	
State Operations - Other Costs			
Local Assistance			
Aids to Individuals or Organizations		4,363,200	
TOTAL State Costs by Category		\$10,184,500	\$
B. State Costs by Source of Funds			
GPR		2,856,700	
FED		2,581,400	
PRO/PRS		4,746,400	
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			
		State	Local
NET CHANGE IN COSTS		\$10,184,500	\$
NET CHANGE IN REVENUE		\$	\$
Agency/Prepared By		Authorized Signature	Date
DHFS/ Ellen Hadidian (608) 266-8155		Fredi Ellen Bove (608) 266-2907	08/31/2001