



## Fiscal Estimate Narratives

DHS 2/16/2010

LRB Number	09-2907/2	Introduction Number	AB-0684	Estimate Type	Original
<b>Description</b> Dementia specialist certification program and requiring the exercise of rule-making authority					

### Assumptions Used in Arriving at Fiscal Estimate

This bill creates a Dementia Specialist certification program in the Department of Health Services (DHS). Under this bill, DHS would be required to develop a program, similar to the Certified Nurse Aide (CNA) training program, that would require DHS to approve Dementia Specialist training programs and perform a biennial review of each program. In addition, the Department would need to promulgate rules to establish standards for the approval of competency evaluations and develop a database to track eligibility renewals and other data elements. No person may use the title "Dementia Specialist" or "Certified Dementia Specialist" unless he or she is certified by DHS.

Through the rule making process, DHS would need to establish standards and develop a core curriculum for the certification program that would require at least 40 hours of training (both classroom and clinical) in the following topics: 1) understanding the signs and symptoms of the various forms of dementia and the possible variations in care needs of affected individuals, 2) approaching, observing, listening to, and communicating with a person with dementia, 3) recognizing pain in an individual with dementia, 4) skills and techniques for encouraging purposeful activities, 5) understanding the needs of an individual with dementia, 6) communication skills necessary to communicate with co-workers, professionals, and families regarding individuals with dementia, 7) skills necessary to effectively advocate for the needs and interests of persons with dementia, 8) developing and using care plans, and 9) techniques for effective problem-solving.

Certified Dementia Specialists would also need to complete four hours of continuing education as part of the biennial re-certification requirements. This continuing education is in addition to training required by other certifications for persons holding multiple certificates. DHS would need to establish these standards as well.

Currently, CNAs are tracked via the Wisconsin NA (Nurse Assistant) Registry; activity aides are not tracked by DHS. The registry is currently used to track nurse aides who are also approved medication aides. State-only findings against caregivers who are not CNAs are also maintained in the registry database. The registry would need to be expanded to allow for tracking of the new Dementia Specialist certification for both CNAs activity aides and other health care specialists.

All licensed facilities in Chapter 50 statutes are covered by this proposed legislation. DHS estimates that 851 facilities will elect to have staff certified as Dementia Specialists. This projection includes 119 adult family homes, 610 CBRFs, and 122 nursing homes that currently indicate they serve clients with Alzheimer's disease or related dementia. In September 2009, 49.5% of nursing home residents (14,681 residents) located in over 90% of nursing homes had some level of dementia. It is difficult to estimate how many existing nurse aides, activity aides, or other health care specialists would pursue the additional training required for Dementia Specialist certification. The bill does not require any facility providing dementia care to have Dementia Specialists on staff.

It is unknown how many organizations would apply to operate Dementia Specialist certification programs but it is likely that many of the currently approved CNA training programs would choose to do so. There are currently 100 approved programs. DHS would develop one standardized curriculum so that a consistent curriculum is followed statewide. The approval process would need to be extensive to assure that quality programs were developed consistently across the state. DHS would also retain an independent entity unrelated to the training program to provide the competency testing as is currently done in the CNA testing program.

#### Medicaid Reimbursement:

Since the certification benefits the state Medicaid program, these costs may be covered with 50% federal Medicaid administration funding, as is currently done with several other programs or activities within the Department.

#### Rule Development:

It is estimated that existing Department staff will spend 300 hours developing the proposed rules. These rules will be similar to DHS 129, CNA training programs, with a standardized curriculum and competency training. DHS is able to absorb these costs.

**Software Expansion:**

The Nurse Aide Registry will need to be expanded to include the Dementia Specialist certifications. One-time system development costs are estimated at \$30,000. The Department cannot absorb these development costs.

**DHS Position Authority:**

Based on the Department's current CNA training workload, it is estimated that DHS would require position authority for a full time Nursing Consultant-2 to administer the program at an annual cost of \$84,900 which includes salary, fringe, travel, rent, and standard supplies and services costs. One-time first-year expenditures for this position are \$2,500. The Department is not able to absorb these costs.

**Number of Potential Applicants:**

It is unknown how many persons would seek certification. Assuming 3 individuals from each of the 851 facilities that provide care for Alzheimer's and dementia clients apply for this certification, DHS could expect 2,553 new applicants.

**Costs Borne by the Applicant:**

DHS does not have information available as to the total cost for applicants to apply and retain Dementia Specialist certifications. Expenses for the applicant include, but are not limited to, the following:

1. Based on 2,553 certifications, the fee payable to DHS is estimated at approximately \$37.50 for each two-year certification. This fee would cover the initial database updates and FTE costs, and allow the program to be self-supporting.
2. All training fees required by the training center for the initial Dementia Specialist certification. DHS cannot estimate these fees.
3. All Dementia Specialists standardized testing fees required by the testing agency. Currently CNA testing fees are \$115. DHS assumes the new testing fees would be comparable.
4. Any costs associated with the two-year recertification such as continuing education and evaluations. DHS cannot estimate these costs.
5. Training/testing costs for the Dementia Specialist certification would be in addition to training required by other certifications for persons holding multiple certificates/licenses.

**Summary:**

The total DHS cost to implement these bill requirements, assuming federal Medicaid funding covers 50% of these costs, is \$32,500 AF (\$16,250 PRO and \$16,250 FED) in one-time costs and \$84,900 AF (\$42,450 PRO and \$42,450 FED) in annual ongoing costs. A two-year certification fee of \$37.50 per person would need to be charged to cover DHS' position and database costs, assuming one-time database upgrade costs are recouped over three years. This fee would allow the program to be self-supporting.

**Local Costs:**

County nursing homes and assisted living facilities would be affected if this bill is passed. DHS does not have data to determine how many of these facilities would require staff to become certified as Dementia Specialists and whether the facility or the applicant would bear the expense.

**Long-Range Fiscal Implications**

## Fiscal Estimate Worksheet - 2009 Session

Detailed Estimate of Annual Fiscal Effect

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> 09-2907/2		<b>Introduction Number</b> AB-0684	
<b>Description</b> Dementia specialist certification program and requiring the exercise of rule-making authority			
<b>I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):</b>  \$32,500 AF (\$16,250 PRO,\$16,250 FED) for one-time database update and one-time costs for the FTE			
<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	\$74,900		\$
(FTE Position Changes)	(1.0 FTE)		
State Operations - Other Costs	10,000		
Local Assistance			
Aids to Individuals or Organizations			
<b>TOTAL State Costs by Category</b>	<b>\$84,900</b>		<b>\$</b>
<b>B. State Costs by Source of Funds</b>			
GPR			
FED	42,450		
PRO/PRS (certification fees)	42,450		
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, etc.)</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>			
	State	Local	
NET CHANGE IN COSTS	\$84,900		\$
NET CHANGE IN REVENUE	\$		\$
<b>Agency/Prepared By</b>		<b>Authorized Signature</b>	<b>Date</b>
DHS/ Elaine Velez (608) 266-9363		Andy Forsaith (608) 266-7684	2/16/2010