

### Fiscal Estimate - 2009 Session

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> <b>09-2145/2</b>	<b>Introduction Number</b> <b>SB-108</b>
<b>Description</b> Mandatory overtime hours and on-call time worked by health care workers and providing penalties	
<b>Fiscal Effect</b>	
<b>State:</b> <input type="checkbox"/> No State Fiscal Effect <input checked="" type="checkbox"/> Indeterminate <input checked="" type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs	
<b>Local:</b> <input type="checkbox"/> No Local Government Costs <input checked="" type="checkbox"/> Indeterminate 1. <input checked="" type="checkbox"/> Increase Costs                          3. <input type="checkbox"/> Increase Revenue                          5. Types of Local Government Units Affected <input type="checkbox"/> Permissive <input checked="" type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities 2. <input type="checkbox"/> Decrease Costs                          4. <input type="checkbox"/> Decrease Revenue <input checked="" type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts	
<b>Fund Sources Affected</b> <b>Affected Ch. 20 Appropriations</b> <input checked="" type="checkbox"/> GPR <input checked="" type="checkbox"/> FED <input checked="" type="checkbox"/> PRO <input checked="" type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS    s. 20.435(2)(a), (2)(gk), (2)(bm), (2)(g), (2)(kx), (4)(b), (4)(n)	
<b>Agency/Prepared By</b> DHS/ Elaine Velez (608) 266-9363	<b>Authorized Signature</b> Andy Forsaith (608) 266-7684
<b>Date</b> 5/28/2009	

**Fiscal Estimate Narratives**  
**DHS 5/28/2009**

LRB Number	<b>09-2145/2</b>	Introduction Number	<b>SB-108</b>	Estimate Type	<b>Original</b>
<b>Description</b> Mandatory overtime hours and on-call time worked by health care workers and providing penalties					

**Assumptions Used in Arriving at Fiscal Estimate**

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

The Department of Health Services operates seven health care and treatment facilities: Mendota Mental Health Institute, Winnebago Mental Health Institute, Southern Wisconsin Center, Northern Wisconsin Center, Central Wisconsin Center, Wisconsin Resource Center, and Sand Ridge Secure Treatment Center. The Mental Health Institutes (MHI) are funded with GPR and PR funds, with Medical Assistance contributing approximately 59 per cent of the revenue for program revenue expenses. The remaining 41 per cent 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. The Wisconsin Resource Center and Sand Ridge Secure Treatment Center are funded primarily by general purpose revenues.

DHS would require additional staff to eliminate forced overtime except in circumstances permitted in this bill. Approximately 37 percent of overtime hours on average, across all seven DHS facilities, are forced for classifications covered by this bill. It is estimated the bill would require \$1,563,600 GPR and 24.00 GPR FTE, \$3,628,800 PR and 66.00 PR FTE. Of the PR costs paid to the institutions, \$1,781,700 would be federal Medicaid revenue, \$1,241,300 state Medicaid GPR revenue, and \$605,800 is county and other third party revenue. The total GPR cost of the bill is \$2,804,900 and would reduce mandatory overtime only. Voluntary overtime will still exist in all facilities.

For each biennial budget, the Department re-estimates its overtime costs at the institutions. In future biennia, the cost of these positions will be offset in part by reductions in the Department's overtime budget.

It is estimated that the increased cost to the counties and other insurance would be \$605,800. This increase would result from the increased cost of care to those patients at the Mental Health Institutes for which the counties and/or private insurance are responsible.

There may be additional costs for the Wisconsin Veterans Home under the bill. However, there will be no additional payments from the Medicaid program because the Home is currently paid at the maximum amount allowed by the federal government.

There may be additional costs for nursing homes operated by counties and other local units of government, but it is not possible to estimate those costs.

This bill would also apply to privately-operated proprietary and not-for-profit nursing homes and hospitals that may experience an increase in operating expenses as a result of the provisions in the bill. These facilities may serve Medicaid clients. It is not possible to estimate potential costs to the Medicaid program, because such costs are dependent on the actual costs incurred by individual providers and the maximum reimbursement rate for those providers.

**Long-Range Fiscal Implications**

## Fiscal Estimate Worksheet - 2009 Session

Detailed Estimate of Annual Fiscal Effect

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  Updated     
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<b>LRB Number</b> 09-2145/2		<b>Introduction Number</b> SB-108	
<b>Description</b> Mandatory overtime hours and on-call time worked by health care workers and providing penalties			
<b>I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):</b> \$90,000 one-time costs (\$24,000 GPR and \$66,000 PR)			
<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		\$4,876,300	\$
(FTE Position Changes)		(90.0 FTE)	
State Operations - Other Costs		316,100	
Local Assistance			
Aids to Individuals or Organizations			
<b>TOTAL State Costs by Category</b>		<b>\$5,192,400</b>	<b>\$</b>
<b>B. State Costs by Source of Funds</b>			
GPR		2,804,900	
FED		1,781,700	
PRO/PRS		605,800	
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		1,781,700	
PRO/PRS		605,800	
SEG/SEG-S			
<b>TOTAL State Revenues</b>		<b>\$2,387,500</b>	<b>\$</b>
<b>NET ANNUALIZED FISCAL IMPACT</b>			
		State	Local
NET CHANGE IN COSTS		\$5,192,400	\$
NET CHANGE IN REVENUE		\$2,387,500	\$
<b>Agency/Prepared By</b>		<b>Authorized Signature</b>	<b>Date</b>
DHS/ Elaine Velez (608) 266-9363		Andy Forsaith (608) 266-7684	5/28/2009