



## Fiscal Estimate Narratives

DHS 11/19/2013

LRB Number	13-1676/3	Introduction Number	SB-391	Estimate Type	Original
<b>Description</b> Allowing health care providers licensed outside the state to participate in and requirements on nonprofit agencies in the volunteer health care provider program					

### Assumptions Used in Arriving at Fiscal Estimate

Senate Bill 391 expands the Volunteer Health Care Provider Program by allowing health care professionals who are licensed in another state or territory to volunteer with the program. The bill also transfers volunteer oversight requirements from the Department of Administration (DOA) to nonprofit agencies participating in the program and strengthens those requirements.

The Volunteer Health Care Provider Program is administered by DOA. However, health care professionals who provide services as part of the program are considered to be state agents of the Department of Health Services (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.

Under this bill, an individual who holds a valid license, certification, or registration issued by another state or territory may participate with a nonprofit agency in the Volunteer Health Care Provider Program. Provider services would be restricted to not more than 60 days in any 90 day period. Out-of-state volunteer providers would not be agents of the state of Wisconsin while participating in the program if they have liability insurance coverage and they submit a joint application with a nonprofit agency that has liability coverage deemed sufficient by DHS. They would not be liable for any civil damages for any act or omission resulting from providing services, unless the act or omission is the result of the provider's gross negligence or willful misconduct and the act or omission violates state statute or rule. Since out of state volunteer providers would not be agents of the state while providing services under the program, DHS does not expect to incur increased liability costs by adding these volunteers.

Currently, 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. Currently, approximately 90 nonprofit clinics and 1,200 volunteers are participating in the program. This amount has roughly doubled over the previous five years.

The bill shifts oversight responsibilities from DOA to nonprofit agencies that utilize volunteer health care providers and adds several more duties to these agencies. Under the bill, a nonprofit agency would assume responsibility for approving volunteer health care providers. Prior to submitting a joint application to DOA, 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 by DOA.

DHS has never paid a claim under the Volunteer Health Care Provider 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 bill allows out-of-state volunteers to participate in the program contingent on DHS's determination that both the volunteer and the associated nonprofit agency have sufficient liability insurance. DHS will develop policies and procedures to make this assessment. It is assumed that DHS will require out-of-state-volunteers

and nonprofit agencies to submit a certificate of insurance. The number of out-of-state volunteers who would apply to the program each year is unknown. However, given the growth in the program in recent years, it is reasonable to expect increased workload to DHS. This increase in workload would require an additional 0.50 FTE Human Services Program Coordinator, at an annual cost of approximately \$36,300 GPR and a one-time cost of \$2,500 GPR.

In conclusion, this bill allows out-of-state providers to participate in the Volunteer Health Care Provider Program and it shifts volunteer oversight from DOA to nonprofit agencies. DHS does not anticipate an increase in liability costs associated with these changes. The bill also requires DHS to assess whether out-of-state volunteers and associated nonprofit agencies carry sufficient liability insurance to participate in the program. The Department estimates that it will need an additional 0.50 FTE at a cost of approximately \$36,300 GPR annually and \$2,500 GPR one-time to cover the increase in workload attributed to this requirement.

### **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>  \$2,500 for onetime office setup 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		10,600	
Local Assistance			
Aids to Individuals or Organizations			
<b>TOTAL State Costs by Category</b>		<b>\$36,300</b>	<b>\$</b>
<b>B. State Costs by Source of Funds</b>			
GPR		36,300	
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, 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>			
		<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS		\$36,300	\$
NET CHANGE IN REVENUE		\$	\$
<b>Agency/Prepared By</b>		<b>Authorized Signature</b>	<b>Date</b>
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