

Fiscal Estimate - 2015 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 15-1589/1	Introduction Number AB-0255				
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 <div style="display: flex; justify-content: space-between;"> <div style="width: 30%;"> <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Create New Appropriations </div> <div style="width: 30%;"> <input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Revenues </div> <div style="width: 30%;"> <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <div style="display: flex; justify-content: space-around; font-size: small;"> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No </div> <input type="checkbox"/> Decrease Costs </div> </div>					
Local: <input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate <div style="display: flex; justify-content: space-between;"> <div style="width: 30%;"> 1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory </div> <div style="width: 30%;"> 3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory </div> <div style="width: 30%;"> 5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts </div> </div>					
<table style="width: 100%; border: none;"> <tr> <td style="width: 50%;">Fund Sources Affected</td> <td style="width: 50%;">Affected Ch. 20 Appropriations</td> </tr> <tr> <td> <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 </td> <td></td> </tr> </table>		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	
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Agency/Prepared By DHS/ Christina Isenring (608) 266-8155	Authorized Signature Andy Forsaith (608) 266-7684				
Date 6/23/2015					

Fiscal Estimate Narratives

DHS 6/23/2015

LRB Number	15-1589/1	Introduction Number	AB-0255	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 videotaped. Under this bill, the Department of Health Services (DHS) is required to promulgate rules, including establishing standards relating to the recording equipment, the recording, and the fees to be charged for completing the recording and for obtaining copies of the recording.

The Department's Division of Quality Assurance (DQA) is responsible for enforcing state licensure and federal certification requirements for hospitals and other health care providers. This bill will increase GPR costs by increasing DQA staff time for rulemaking, the development of request forms, conducting compliance surveys and complaint investigations, and implementing required enforcement penalties. Using the FFY2015 planned federal certification workload and other recent data available, 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 that have no equivalent federal requirement. 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 \$40,993 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 \$10,599 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 \$7,380 GPR. This estimate is based on 16 hospital and 9 ambulatory surgical center surveys the Department plans for federal fiscal year 2015. 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 \$12,911 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 \$4,836 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 could 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 \$59,092 and ongoing GPR costs by \$17,627 and 0.2 FTE GPR. If funding and FTE are not received to implement this bill, the result would be an overall decrease in the number of compliance surveys performed.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2015 Session

Detailed Estimate of Annual Fiscal Effect

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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): \$59,092	
II. Annualized Costs:	Annualized Fiscal Impact on funds from:
	Increased Costs Decreased Costs
A. State Costs by Category	
State Operations - Salaries and Fringes	\$17,627
(FTE Position Changes)	(0.2 FTE)
State Operations - Other Costs	
Local Assistance	
Aids to Individuals or Organizations	
TOTAL State Costs by Category	\$17,627
B. State Costs by Source of Funds	
GPR	17,627
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, etc.)	
	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	\$17,627
NET CHANGE IN REVENUE	\$
Agency/Prepared By	Authorized Signature
DHS/ Christina Isenring (608) 266-8155	Andy Forsaith (608) 266-7684
	Date
	6/23/2015