

Fiscal Estimate - 2015 Session

Original Updated Corrected Supplemental

LRB Number 15-3573/1		Introduction Number AB-0712	
Description Certification of outpatient mental health clinics			
Fiscal Effect			
State:			
<input checked="" type="checkbox"/> No State Fiscal Effect			
<input type="checkbox"/> Indeterminate			
<input type="checkbox"/> Increase Existing Appropriations		<input type="checkbox"/> Increase Existing Revenues	
<input type="checkbox"/> Decrease Existing Appropriations		<input type="checkbox"/> Decrease Existing Revenues	
<input type="checkbox"/> Create New Appropriations		<input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Yes <input type="checkbox"/> No	
		<input type="checkbox"/> Decrease Costs	
Local:			
<input type="checkbox"/> No Local Government Costs			
<input type="checkbox"/> Indeterminate			
1. <input type="checkbox"/> Increase Costs		3. <input type="checkbox"/> Increase Revenue	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
2. <input type="checkbox"/> Decrease Costs		4. <input type="checkbox"/> Decrease Revenue	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		<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"/> Counties		<input type="checkbox"/> Others	
<input type="checkbox"/> School Districts		<input type="checkbox"/> Cities	
<input type="checkbox"/> WTCS Districts			
Fund Sources Affected		Affected Ch. 20 Appropriations	
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS			
Agency/Prepared By		Authorized Signature	
DHS/ Christina Isenring (608) 266-8155		Andy Forsaith (608) 266-7684	
		Date	
		1/28/2016	

Fiscal Estimate Narratives

DHS 1/28/2016

LRB Number	15-3573/1	Introduction Number	AB-0712	Estimate Type	Original
Description Certification of outpatient mental health clinics					

Assumptions Used in Arriving at Fiscal Estimate

This bill requires the Department of Health Services (DHS) to accept evidence of accreditation of an outpatient mental health clinic by certain accrediting organizations as equivalent to the standards established by DHS for the purpose of certifying a facility for Medical Assistance reimbursement or community aids funding. The bill subjects DHS certification to renewal at the same time the accreditation is due for renewal.

Under this bill DHS is required to waive an on-site inspection for renewal certification of an outpatient mental health clinic if all the following apply: 1) The outpatient mental health clinic has submitted a complete application that includes all the material prepared by the clinic, documents collected by the accrediting organization, survey findings and reports resulting from the most recent inspection by the accrediting organization and 2) DHS determines that the outpatient mental health clinic's record of compliance with state statute and rules and with the standards of the accrediting organization does not indicate that an on-site inspection is necessary.

Currently there are approximately 500 certified outpatient mental health clinics in Wisconsin with approximately 900 branch offices. The initial certification fee is \$550.00 with an annual fee of \$550.00. Branch office fees range from \$200 to \$800 depending on the volume of services provided. DHS would continue to collect these fees from accredited providers to fund certification activities such as compliant investigations, including investigations of Wis. Stat., Chapter 50 reportable deaths; and to review material submitted by an accredited outpatient mental health clinic from the most recent inspection by the accrediting organization to determine that an onsite inspection is not necessary.

DHS cannot predict the number of outpatient mental health clinics that will opt for accreditation in place of the DHS initial and annual certification review.

This bill may result in Department staff spending less time conducting on-site inspections for initial and annual certification at mental health clinics that opt for accreditation. However, any workload savings could be offset by workload associated with increased complaint investigations. Complaints could increase because accreditation standards in accrediting organizations are not equivalent to many requirements in the Department administrative rule, DHS 35, such as client rights, grievance process and involuntary discharge rights, and because accrediting organizations may not conduct as many onsite reviews. The Department would also need to investigate complaints resulting from death reports mandated under Chapter 50. Currently, DHS receives Chapter 50 death reports from 40% of the certified outpatient mental health clinics. DHS certifies that outpatient medical clinics provide access to records and other investigative materials, allowing for Chapter 50 deaths to be investigated through an event analysis conducted offsite. A clinic accredited through an accrediting organization would not be required to provide immediate access to records and other investigation materials to DHS investigators, resulting in an increase of onsite reviews.

In summary, the bill is not expected to significantly increase or decrease the Department's overall workload with regard to outpatient clinic regulation, and therefore will not have a measurable fiscal effect on DHS.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2015 Session

Detailed Estimate of Annual Fiscal Effect

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Description Certification of outpatient mental health clinics			
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	\$0	\$
	(FTE Position Changes)		
	State Operations - Other Costs		
	Local Assistance		
	Aids to Individuals or Organizations		
	TOTAL State Costs by Category	\$0	\$
B. State Costs by Source of Funds			
	GPR		
	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, ets.)			
		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	\$0	\$
	NET CHANGE IN REVENUE	\$	\$
Agency/Prepared By		Authorized Signature	Date
DHS/ Christina Isenring (608) 266-8155		Andy Forsaith (608) 266-7684	1/28/2016