

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 281** HLS 13RS 864

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: May 7, 2013	5:18 PM	Author: SIMON
Dept./Agy.: DHH/OBH		Analyst: Jennifer Katzman
Subject: Licensing behavioral health service providers		

HEALTH/DHH EG INCREASE SG RV See Note
Creates a single license for behavioral health service providers

Proposed law creates one integrated license for multiple behavioral health service providers and requires licensure of all such providers. However, the proposed law shall not apply to the licensing of hospitals, crisis receiving centers, nursing homes, psychiatric residential treatment facilities, therapeutic group homes, federal facilities, federally qualified health centers, community mental health centers certified by the federal government, home-and-community-based service providers, rural health clinics, Dept. of Corrections facilities, or Licensed Mental Health Professionals (LMHP). LMHPs include the following: psychologists (licensed or medical), clinical social workers, professional counselors, marriage & family counselors, addiction counselors, & advanced practice registered nurses (individuals or groups).

Proposed law also creates drug free zones, which shall include any property used as and within 2,000 feet of a behavioral health services provider with a substance abuse/addiction treatment module. Visible signs of the drug free zone shall be designed by the Department of Health & Hospitals (DHH) and made in correctional institutions (DOC).

EXPENDITURES	2013-14	2014-15	2015-16	2016-17	2017-18	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total						
REVENUES	2013-14	2014-15	2015-16	2016-17	2017-18	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total						

EXPENDITURE EXPLANATION

There will be a minimal increase in SGF expenditures as a result of the proposed legislation due to the increased need for drug free zone signs at DHH facilities with a substance abuse/addiction treatment module, such as mental health clinics that treat co-occurring disorders. These expenditures will be used to purchase the signs manufactured by the DOC, which charges between \$15.50 and \$20.50 per sign depending on materials. It is anticipated that these costs can be absorbed within the requisite DHH agencies' FY 14 budgets. There is no anticipated increase to expenditures from rule making or inspections since these functions are already performed by DHH relative to licensing and can be absorbed within its current budget. Note: Licensed drug treatment facilities that solely treat addiction are already required to maintain drug free zone signs (R.S. 40:1058.10).

There are no anticipated increased expenditures within Medicaid since these providers are either 1) already eligible for Medicaid reimbursement through a separate substance abuse or mental health provider license, or 2) are currently non-licensed but eligible to undergo the certification/credentialing process for Medicaid with Magellan (the Statewide Management Organization) under the LA Behavioral Health Partnership (LBHP). As such, the proposed legislation merely allows current license holders to get a single behavioral health provider license (as opposed to separate licenses for substance abuse and mental health), and also allows for accountability within the LBHP since current non-licensed providers will now be regulated.


REVENUE EXPLANATION

There is an anticipated increase in annual self-generated revenues of approximately \$36,000 as a result of an estimated 60 providers being licensed under the new integrated license proposed by the legislation (60 providers x \$600 fee).

In addition, DHH will collect between \$250 & \$1,000 for each day that a provider operates without a license under the proposed legislation. DHH will also be allowed to collect attorney fees, costs, and damages from any provider against whom an injunction is granted by the 19th Judicial District Court for failing to cease and desist operating without a license after notification by DHH. The amount of self-generated revenues from these provisions will depend on the number of providers in violation of the proposed legislation's mandates and is currently unknown.

There is also a small increase in self-generated revenues anticipated for the DOC from fees collected for manufacturing the drug free zone signs. Prison Enterprises within the DOC currently manufactures drug free zone signs with a 10% to 14% profit markup. Assuming the same signs are utilized for this legislation, DOC will receive an indeterminable net increase in revenue (based on 10-14% markup) due to an increased number of providers purchasing signs from the state.

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| <u>Senate</u> | <u>Dual Referral Rules</u> | <u>House</u> |
| <input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} | | <input type="checkbox"/> 6.8(F) >= \$500,000 Annual Fiscal Cost {S} |
| <input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H} | | <input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S} |


John D. Carpenter
Legislative Fiscal Officer