



**SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE**  
**STATEMENT OF ESTIMATED FISCAL IMPACT**  
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|------------------------|--|-------------------------------|
| <b>Bill Number:</b>    | H. 4713  | Prefiled on November 20, 2019 |
| <b>Author:</b>         | Gilliard   |                               |
| <b>Subject:</b>        | Risk Assessment for Health Care Facilities             |                               |
| <b>Requestor:</b>      | House Medical, Military, Public, and Municipal Affairs |                               |
| <b>RFA Analyst(s):</b> | A. Martin  |                               |
| <b>Impact Date:</b>    | December 11, 2019                                      |                               |

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### **Fiscal Impact Summary**

This bill requires health care facilities and owners of office-based practices to provide a security plan and to conduct an annual risk assessment. This bill will have no expenditure impact on the Department of Health and Environmental Control (DHEC) because the agency will administer policies resulting from the bill with the use of existing staff and resources.

Of the forty-six counties that were surveyed concerning the fiscal impact of this bill, two counties responded that this bill will have no local expenditure impact. These counties either had no applicable facilities or they plan to manage the requirements of this bill using existing staff and resources.

The fiscal impact of this bill is pending, contingent upon a response from the Department of Labor, Licensing and Regulation (LLR).

### **Explanation of Fiscal Impact**

#### **Prefiled on November 20, 2019**

#### **State Expenditure**

**Department of Health and Environmental Control.** This bill requires facilities rendering medical, nursing, and other health care to provide a security plan to ensure the safety and well-being of their patients, staff, and visitors. This security plan is a condition of licensure and must also include a risk assessment. In addition, facilities must conduct an annual risk assessment which must include consultation with local law enforcement and local public safety officials. Denial, suspension, or revocation of a facility's license may result from a violation of this provision.

DHEC indicates that the requirements of this bill will be enforced using current department staff and resources. Therefore, this bill will have no expenditure impact on the agency.

**Department of Labor, Licensing and Regulation.** This bill requires office-based practices to conduct an annual risk assessment which must include consultation with local law enforcement and local public safety officials. In addition, office-based practices must use the risk assessment to develop a plan to provide an appropriate level of security. Violations will be handled by the Board of Medical Examiners, which is under the regulation of LLR.

The expenditure impact of this bill is pending, contingent upon a response from LLR.

**State Revenue**

This bill requires office-based practices to conduct an annual risk assessment which must include consultation with local law enforcement and local public safety officials, and to develop a plan to provide an appropriate level of security. Violations of this provision will result in civil penalties up to \$1,000 for the first violation and up to \$5,000 for subsequent violations. Violations are imposed by and paid to the Board of Medical Examiners. The revenue impact of this portion of the bill is pending, contingent upon a response from LLR.

In addition, the Board of Medical Examiners falls under the Division of Professional and Occupational Licensing. Pursuant to Proviso 81.3 of the FY 2019-20 Appropriations Act, LLR is required to remit annually to the General Fund an amount equal to 10 percent of expenditures. The revenue impact of this of the bill is pending, contingent upon a response from LLR.

**Local Expenditure**

This bill requires facilities and office-based practices to consult with local law enforcement and public safety officials concerning trends in violent crime or other threats to public safety in the workplace. All forty-six counties and the Municipal Association of South Carolina were surveyed to determine the local expenditure impact of this bill. Saluda county reported that they have no county administered hospitals and all physicians' offices located in the county are under the administration of a hospital located in another county. Lancaster county reported that the requirements of this bill would be handled with the use of existing staff and resources. Therefore, this bill would have no local expenditure impact. This fiscal impact will be updated as more responses are received.

**Local Revenue**

N/A



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Frank A. Rainwater, Executive Director