SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number:	H. 4713 Introduced on January 14, 2020
Author:	Gilliard
Subject:	Risk Assessment for Health Care Facilities
Requestor:	House Medical, Military, Public, and Municipal Affairs
RFA Analyst(s):	A. Martin, Griffith, and Payne
Impact Date:	January 29, 2020 Updated for Revised Information

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.

This bill will have no expenditure impact on the Department of Alcohol and Other Drug Abuse Services (DAODAS) because the agency does not own an applicable facility.

This bill will have no expenditure impact on the Department of Mental Health (DMH) because the bill does not create additional duties or responsibilities for the agency.

This bill will increase Other Funds expenditures of the Department of Labor, Licensing and Regulation (LLR) for costs associated with additional board meetings of the Board of Medical Examiners (BME) and the Board of Long Term Health Care Administrators (LTHC). Because the number of additional meetings for each board is unknown, the increase in Other Funds expenditures is undetermined.

This bill will increase General Fund revenue by an amount equal to 10 percent of the increase in expenditures of BME and LTHC. Because the total increase in board expenditures is unknown, the increase in General Fund revenue is undetermined. However, LLR anticipates that the increase in General Fund revenue will be minimal.

This bill may increase Other Funds revenue of LLR due to fines collected by BME. Because the board is unable to estimate the number of violations that may occur, the increase in Other Funds revenue is undetermined.

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 for medical facilities. These counties either had no applicable facilities or they plan to manage the requirements of this bill using existing staff and resources.

This bill will have no local expenditure impact on facilities providing alcohol and drug abuse services because they are currently in compliance with the requirements of this bill.

This fiscal impact statement has been updated to clarify that the Board of Medical Examiners (BME), which is under the administration of LLR, regulates physicians and not physician offices.

Explanation of Fiscal Impact

Updated for Revised Information on January 29, 2020
Introduced on January 14, 2020
State Expenditure
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.

In addition, 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. These practices must use the risk assessment to develop a plan to provide an appropriate level of security.

Department of Health and Environmental Control. DHEC is responsible for the licensing of health care facilities. The agency 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 Alcohol and Other Drug Abuse Services. DAODAS contracts with counties to provide services at the local level, but does not own any facilities or office-based practices. Therefore, this bill will have no expenditure impact on the agency.

Department of Mental Health. All community mental health centers administered by DMH are accredited by the Commission on Accreditation of Rehabilitation Facilities (CARF). Risk assessment is included as part of the process for accreditation. Therefore, this bill will have no expenditure impact on DMH because it does not create additional duties or responsibilities.

Department of Labor, Licensing and Regulation. While DHEC is responsible for licensing healthcare facilities, administrators of nursing homes and community residential care facilities are licensed by LTHC, which is under the administration of LLR. DHEC may refer an initial complaint to LTHC for an investigation to determine if the administrator in charge of the facility has violated LTHC statutes and regulations. In addition, physicians in office-based practices are regulated by BME, which is also under the administration of LLR.

Any additional complaints, investigations, and disciplinary proceedings resulting from this bill will require additional board meetings for both BME and LTHC. Each of the thirteen BME members and the ten LTHC members receives a per diem of $35 and mileage reimbursement of 57.5 cents per mile. In addition, board meetings require the presence of a court reporter, which averages $2,156 per meeting. This bill will increase Other Funds expenditures of LLR by at least $2,611 for each additional meeting of BME and $2,506 for each additional meeting of LTHC. The boards are unable to estimate the number of additional meetings that will be required. Therefore, the expenditure impact due to additional board meetings is undetermined.

This section of the fiscal impact statement has been updated to clarify that the Board of Medical Examiners (BME), which is under the administration of LLR, regulates physicians and not physician offices.

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 of up to $1,000 for the first violation and up to $5,000 for subsequent violations. Violations are imposed by BME and fines are paid to the board, which is under the administration of LLR. The board is unable to estimate the number of violations they will handle. Therefore, the increase in Other Funds revenue for LLR due to these fines is undetermined.

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 board expenditures. This will increase General Fund revenue by at least $261 for each additional meeting of BME and $250 for each additional meeting of LTHC. Because the boards are unable to determine the number of additional meetings that will be required, the total increase in General Fund revenue is undetermined. The agency anticipates that the increase in General Fund revenue will be minimal.

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.

DAODAS reported that local facilities providing alcohol and drug abuse services undergo national accreditation that requires them to have a plan in place for security and safety. In addition, facilities must conduct annual risk assessments that include consultation with local law enforcement and public safety officials. Therefore, this bill would have no local expenditure impact on drug and alcohol abuse facilities.

Local Revenue
N/A

Updated for Additional Agency Response on January 3, 2020
Prefiled on November 20, 2019
State Expenditure
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.

In addition, 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. These practices must use the risk assessment to develop a plan to provide an appropriate level of security.

This section of the fiscal impact statement has been updated to include responses by LLR, DAODAS, and DMH.

Department of Health and Environmental Control. DHEC is responsible for the licensing of health care facilities. The agency 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 Alcohol and Other Drug Abuse Services. DAODAS contracts with counties to provide services at the local level, but does not own any facilities or office-based practices. Therefore, this bill will have no expenditure impact on the agency.

Department of Mental Health. All community mental health centers administered by DMH are accredited by the Commission on Accreditation of Rehabilitation Facilities (CARF). Risk assessment is included as part of the process for accreditation. Therefore, this bill will have no expenditure impact on DMH because it does not create additional duties or responsibilities.

Department of Labor, Licensing and Regulation. While DHEC is responsible for licensing healthcare facilities, administrators of nursing homes and community residential care facilities are licensed by LTHC, which is under the administration of LLR. DHEC may refer an initial complaint to LTHC for an investigation to determine if the administrator in charge of the facility has violated LTHC statutes and regulations. In addition, office-based practices are regulated by BME, which is also under the administration of LLR.

Any additional complaints, investigations, and disciplinary proceedings resulting from this bill will require additional board meetings for both BME and LTHC. Each of the thirteen BME members and the ten LTHC members receives a per diem of $35 and mileage reimbursement of 57.5 cents per mile. In addition, board meetings require the presence of a court reporter, which averages $2,156 per meeting. This bill will increase Other Funds expenditures of LLR by at least $2,611 for each additional meeting of BME and $2,506 for each additional meeting of

LTHC. The boards are unable to estimate the number of additional meetings that will be required. Therefore, the expenditure impact due to additional board meetings is undetermined.

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 of up to $1,000 for the first violation and up to $5,000 for subsequent violations. Violations are imposed by BME and fines are paid to the board, which is under the administration of LLR. The board is unable to estimate the number of violations they will handle. Therefore, the increase in Other Funds revenue for LLR due to these fines is undetermined.

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 board expenditures. This will increase General Fund revenue by at least $261 for each additional meeting of BME and $250 for each additional meeting of LTHC. Because the boards are unable to determine the number of additional meetings that will be required, the total increase in General Fund revenue is undetermined. The agency anticipates that the increase in General Fund revenue will be minimal.

This section of the fiscal impact statement has been updated to include responses by 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.

DAODAS reported that local facilities providing alcohol and drug abuse services undergo national accreditation that requires them to have a plan in place for security and safety. In addition, facilities must conduct annual risk assessments that include consultation with local law enforcement and public safety officials. Therefore, this bill would have no local expenditure impact on drug and alcohol abuse facilities.

This section of the fiscal impact statement has been updated to include responses by DAODAS.

Local Revenue
N/A

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

Frank A. Rainwater

Frank A. Rainwater, Executive Director