



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE

STATEMENT OF ESTIMATED FISCAL IMPACT

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This fiscal impact statement is produced in compliance with the South Carolina Code of Laws and House and Senate rules. The focus of the analysis is on governmental expenditure and revenue impacts and may not provide a comprehensive summary of the legislation.

Bill Number:	H. 3216	Introduced on January 12, 2021
Author:	Calhoon	
Subject:	Nursing homes, residential care and care facilities for persons with intellectual disabilities	
Requestor:	House Medical, Military, Public, and Municipal Affairs	
RFA Analyst(s):	Martin	
Impact Date:	February 9, 2021	

Fiscal Impact Summary

This bill adds video monitoring of all exits to the licensing requirements for certain facilities regulated by the Department of Health and Environmental Control (DHEC). This bill will have no expenditure impact on DHEC because the agency will administer policies resulting from this bill with the use of existing staff and resources.

The Department of Mental Health (DMH) operates state-owned facilities that would be affected by this bill. DMH anticipates that this bill will increase one-time General Fund expenditures by \$250,000 in FY 2021-22 for equipment and installation. In addition, this bill will increase annual General Fund expenditures by \$40,000 beginning in FY 2022-23 for maintenance.

The Department of Disabilities and Special Needs (DDSN) operates state-owned facilities that would be affected by this bill. DDSN anticipates that this bill will increase one-time General Fund expenditures by \$585,000 in FY 2021-22 for equipment and installation. In addition, this bill will increase annual General Fund expenditures by \$125,000 beginning in FY 2022-23 for maintenance.

In total, this bill will increase General Fund expenditures by \$835,000 in FY 2021-22 and \$165,000 each year thereafter.

Explanation of Fiscal Impact

Introduced on January 12, 2021

State Expenditure

This bill requires all nursing homes, community residential care facilities, and intermediate care facilities for persons with intellectual disabilities to install, operate, and maintain an electronic video monitoring device at every facility exit. This requirement is a condition of licensing and relicensing of these facilities, which is the responsibility of DHEC.

Department of Health and Environmental Control. DHEC reports that enforcement of this additional licensure requirement will be conducted using current staff and resources. Therefore, this bill will have no expenditure impact on the agency.

Department of Mental Health. DMH operates eight state-owned community residential care facilities that are licensed by DHEC and would, therefore be impacted by this bill. Each facility would require eight cameras for a total of sixty-four cameras. In addition, the agency would require one server at each facility for storage of video recording. The agency anticipates a one-time cost of \$250,000 for cameras, servers, wiring, switches, and installation. In addition, the agency anticipates annual expenditures of \$40,000 for maintenance. Therefore, this bill will increase General Fund expenditures for DMH by \$250,000 in FY 2021-22 and \$40,000 each year thereafter.

Department of Disability and Special Needs. DDSN operates state-owned community residential care facilities and intermediate care facilities that are licensed by DHEC and would, therefore, be impacted by this bill. DDSN identified a total of 393 facility exits that would need to be equipped with cameras. In addition to an internal and an external camera at each door, the agency would require control units at each location to monitor and record the video. DDSN received the following per unit estimates for equipment:

- Cameras, including wiring - \$500 each
- Control units for less than 10 cameras - \$1,600 each
- Control units for more than 10 cameras - \$4,200 each

DDSN anticipates that this bill would increase expenditures by \$585,000 for equipment. Based on the Medicaid useful lives manual, video monitoring and recording equipment has a five-year life expectancy and will require replacement. The agency anticipates average annual recurring expenditures for replacement and associated maintenance to be \$125,000. Therefore, this bill will increase General Fund expenditures for DDSN by \$585,000 in FY 2021-22 and \$125,000 each year thereafter.

State Revenue

N/A

Local Expenditure

N/A

Local Revenue

N/A



Frank A. Rainwater, Executive Director