



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: S. 0915 Introduced on January 9, 2024
Author: Peeler
Subject: Executive Office of Health Policy
Requestor: Senate Medical Affairs
RFA Analyst(s): Boggs
Impact Date: January 25, 2024

Fiscal Impact Summary

This bill restructures the current mental health state agencies by creating the Executive Office of Health and Policy (EOHP) in FY 2024-25. This office will consist of the Department of Health Financing (DHF), the Department of Public Health (DPH), the Department of Aging (Aging), the Department of Intellectual and Related Disabilities (DIRD), and the Department of Behavioral Health and Substance Abuse Services (DBHSAS). This bill also dissolves the Department of Alcohol and Other Drug Abuse Services (DAODAS), the Department of Disabilities and Special Needs (DDSN), the Department of Health and Human Services (DHHS), and the Department of Mental Health (DMH) and moves all existing FTEs and appropriated funds of these agencies to the appropriate department within the EOHP. All applicable bonded indebtedness, real and personal property, assets, liabilities, contracts, regulations, or policies of DHHS, DPH, Aging, DDSN, DMH, or DAODAS will continue in effect in the name of the EOHP or the appropriate component division. The Department of Administration (Admin) will assist with the transfer of operating expenses and any other such transfers as specified in this bill.

DDSN anticipates a one-time expense of less than \$10,000 in FY 2024-25 related to changing the department name and logo. Additionally, dependent upon any additional responsibilities that may arise due to the restructuring, DDSN anticipates this bill may have an additional undetermined expenditure impact beginning in FY 2024-25.

DMH anticipates this this bill result in an undetermined expenditure impact in FY 2024-25 as this bill would likely affect the overall SCEIS master data structure, organizational workflows, systematic program workflows, such as procurement authority and budget authorization, and additional changes needed for contractual agreements held by DMH. DMH also anticipates a potential increase in expenditures due to this bill, dependent upon any additional responsibilities that may arise due to the restructuring.

Beginning July 1, 2024, the Department of Health and Environmental Control (DHEC) is abolished and DPH and the Department of Environmental Services (DES) are established. This bill relocates DPH under the EOHP. DHEC anticipates this bill will have no fiscal impact for the agency.

DAODAS, DHHS, Aging, and the Governor's Office are continuing to analyze the impact of this bill. This fiscal impact is pending, contingent upon a response from these agencies.

Explanation of Fiscal Impact

Introduced on January 9, 2024

State Expenditure

This bill restructures the current mental health state agencies by creating the EOHP in FY 2024-25. This office will consist of DHF, DPH, Aging, DIRD, and DBHSAS. This bill also dissolves DAODAS, DDSN, DHHS, and DMH and moves all existing FTEs and appropriated funds to the appropriate department within the EOHP. All applicable bonded indebtedness, real and personal property, assets, liabilities, contracts, regulations, or policies of DHHS, DPH, Aging, DDSN, DMH, or DAODAS will continue in effect in the name of the EOHP or the appropriate component division. Employees of DHHS, DPH, Aging, DDSN, DMH, or DAODAS shall maintain their same status with the appropriate component department of the EOHP. Admin will assist with the transfer of operating expenses and any other such transferred as specified in this bill.

The Governor, with the advice and consent of the Senate, must appoint the Secretary of Health and Policy to act as the head and governing authority of the office. Further, this bill lists the duties of the secretary to include developing a cohesive, coordinated, and comprehensive State Health Plan for public health services provided by the component departments housed within the office so that there is a maximum level of coordination among the component departments. The secretary shall also establish and appoint members to a health planning advisory committee to provide advice in the development of the plan. Members of the advisory committee should include health care providers, consumers, payers, and public health professionals. Members of the advisory committee are allowed the usual mileage and subsistence as provided for members of boards, committees, and commissions.

The component departments shall be headed by a department director appointed by the secretary with the advice and consent of the Senate. The secretary shall develop the budget for the office with each component department constituting a separate program area. Except as outlined in this bill, DHF, DPH, Aging, and DIRD shall operate as component departments of EHOP in FY 2024-25 using the authority and funds appropriated to DHHS, DPH, Aging, and DDSN as standalone agencies in the appropriations act of 2024. Also, DBHSAS shall operate as a component department of the EOHP in the FY 2024-25 using the authority and funds appropriated to DMH and DAODAS as standalone agencies in the appropriations act of 2024. Further, all applicable bonded indebtedness, real and personal property, assets, liabilities, contracts, regulations, or policies of the merging agencies shall continue in effect in the name of the EOHP or the appropriate component division.

This bill also repeals Chapter 9, Title 44. Further, this bill directs the Code Commissioner to change the headings in Article 1, Chapter 6, Title 44; Chapter 1, Title 44; Chapter 20, Title 44; and Chapter 9, Title 44 in S.C. Code to reflect the new departments.

Department of Disabilities and Special Needs. DDSN anticipates a one-time expense of less than \$10,000 in FY 2024-25 related to changing the department name and logo. Additionally, dependent upon any additional responsibilities that may arise due to the restructuring, DDSN anticipates this bill may have an additional undetermined expenditure impact.

Department of Health and Environmental Control. Beginning July 1, 2024, DHEC is abolished and DPH and DES are established. This bill relocates DPH under the new EOHP. DHEC anticipates this bill will have no fiscal impact of the agency.

Department of Mental Health. DMH anticipates that this bill would likely affect the overall SCEIS master data structure, organizational workflows, systematic program workflows, such as procurement authority and budget authorization, and additional changes needed for contractual agreements held by DMH. DMH anticipates this bill may increase expenses, dependent upon the department responsibilities under the new structure. Therefore, this bill will have an undetermined expenditure impact for DMH beginning in FY 2024-25.

Admin, DAODAS, DHHS, Aging, and the Governor's Office are continuing to analyze the impact of this bill. This fiscal impact is pending, contingent upon a response from these agencies.

State Revenue

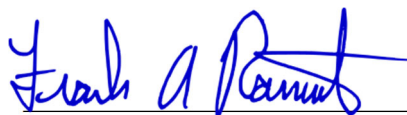
This bill will result in a transfer of undetermined amount of revenue from current mental health agencies to the newly created EOHP in FY 2024-25.

Local Expenditure

N/A

Local Revenue

N/A



Frank A. Rainwater, Executive Director