

FISCAL NOTE
Requested by Legislative Council
01/19/2015

Bill/Resolution No.: HB 1439

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2013-2015 Biennium		2015-2017 Biennium		2017-2019 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				\$(567,000)		\$(589,000)
Expenditures			\$567,000	\$(567,000)	\$589,000	\$(589,000)
Appropriations			\$567,000	\$(567,000)	\$589,000	\$(589,000)

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2013-2015 Biennium	2015-2017 Biennium	2017-2019 Biennium
Counties			
Cities			
School Districts			
Townships			

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

HB1439 will not allow the state hospital to seek payment from a person liable for expenses for care or treatment after 5 years have lapsed since the charges were incurred. In addition, the State Hospital may not collect more than \$25,000 for care and treatment from any recipient or patient.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

During the 15-17 biennium the State Hospital is estimated to collect \$1,700,000 from estates, individuals and collection agencies. Of this amount approximately 1/3 or \$567,000 is estimated to be for charges incurred over 5 years old or for charges above \$25,000 and therefore the Department will no longer be able to collect these revenues. \$589,000 is estimated to be unavailable for collection in the 2017-2019 biennium.

The Department is also estimating additional revenues would be lost as it is believed the clients will not pay for services if their debt is forgiven in 5 years. This lost revenue is not included in the section 1A above.

The average daily rate for services at the State Hospital is \$462.50/day. With a \$25,000 maximum in charges, the total days in care a recipient or patient may be charged for care and treatment at the State Hospital is approximately 54 days.

The fiscal impact assumes the State Hospital would be able to continue to bill 3rd party payers full charges, including those over \$25,000, for care and treatment of each patient or recipient.

It is unknown at this time if the State Hospital will incur IT costs for changes to their computer software for this policy change.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

The State Hospital would have a loss in revenue of \$567,000 for not having the ability to collect charges from patients or recipients for the care or treatment provided at the State Hospital after 5 years have lapsed since the charges were incurred and limiting those charges to \$25,000 per recipient or patient.

It is assumed the State Hospital would be able to continue to bill 3rd party payers full charges, including those over \$25,000, for care and treatment of each patient or recipient.

- B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

The General Fund expenditures will increase in both biennium's by the revenue that will no longer be able to be collected from State Hospital clients due to the change in policy.

It is unknown at this time if the State Hospital will incur IT costs for changes to their computer software for this policy change.

- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

The Department of Human Services would need a an increase in the General Fund appropriation and a corresponding decrease in the other fund appropriation of \$567,000 in the 15-17 biennium and \$589,000 in the 17-19 biennium for the lost revenue at the State Hospital.

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