

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Chief Financial Officer

Natwar M. Gandhi
Chief Financial Officer



MEMORANDUM

TO: The Honorable Linda W. Cropp
Chairman, Council of the District of Columbia

FROM: Natwar M. Gandhi
Chief Financial Officer

DATE: October 22, 2002

SUBJECT: Fiscal Impact Statement: "Choice in Drug Treatment Act of 2002"

REFERENCE: Draft Legislation - No Bill Number Available

Conclusion

Funds are not sufficient in the FY 2003 through FY 2006 budget and financial plan to implement the proposed regulations. **The proposed regulations would result in \$ 1.76 million in additional expenditures for the District in FY 2003 and a total of \$5.78 million in FY 2003 through FY 2006.**

Anti-deficiency laws, 31-USCA § 1341 (2000), prohibit District officers and employees from exceeding agency appropriations in any fiscal year. Should the Department of Health determine that funding is available to absorb the additional costs in FY 2003, then the net impact would be zero for that year. For subsequent years, the additional expenditure would need to be included as budgeted expenditures.

Background

The proposed regulations would establish requirements for certification and participation in substance abuse treatment programs. They also would establish qualifications of individuals for treatment in the Drug Treatment Choice Program.

Financial Plan Impact

Funds are not sufficient in the FY 2003 through FY 2006 budget and financial plan to implement the proposed regulations as drafted. The proposed regulations would result in additional expenditures to the District of approximately \$1.76 million in FY 2003 and a

total of \$5.78 over the FY 2003 through FY 2006 period. The Department of Health (DOH) would require additional, unbudgeted personal services and non-personal services costs to implement the proposed regulations.

The proposed regulations would require DOH to hire the staff positions listed below to implement the requirements. The positions fall into three categories reflecting the requirements of the regulations: financial management functions, central intake division functions, and financial assessment functions. Fringe benefits are estimated at 17.94 percent of base salary and 3 percent for step increases and inflation is assumed for the subsequent years.

Estimated Personal Services (PS) Costs						
Position	Base Salary	FY2003 (w/fringe)	FY2004	FY2005	FY2006	4-Year Total
Fiscal & Budget Specialist	\$55,850	\$65,869	\$67,846	\$69,881	\$71,977	\$275,573
Voucher reconciliation clerk (x3)	\$103,244	\$121,766	\$125,419	\$129,182	\$133,057	\$509,423
AR Entitlements Specialist	\$45,628	\$53,814	\$55,428	\$57,091	\$58,804	\$225,136
Medicaid Billing Clerk	\$26,044	\$30,716	\$31,638	\$32,587	\$33,565	\$128,506
Cashier/AR (x2)	\$62,144	\$73,293	\$75,491	\$77,756	\$80,089	\$306,629
Nurse Manager Utilization Review	\$60,000	\$70,764	\$72,887	\$75,074	\$77,326	\$296,050
Registered Nurse/UR (x2)	\$112,000	\$132,093	\$136,056	\$140,137	\$144,341	\$552,627
Social Work Case Manager	\$45,628	\$53,814	\$55,428	\$57,091	\$58,804	\$225,136
Staff Physicians (x2)	\$211,166	\$249,049	\$256,521	\$264,216	\$272,143	\$1,041,929
Phlebotomist	\$31,572	\$37,236	\$38,353	\$39,504	\$40,689	\$155,782
Registered Nurse (x2)	\$112,000	\$132,093	\$136,056	\$140,137	\$144,341	\$552,627
Certified Nursing Assistant	\$34,881	\$41,139	\$42,373	\$43,644	\$44,953	\$172,109
Addictions Counselor (x2)	\$76,136	\$89,795	\$92,489	\$95,263	\$98,121	\$375,668
Medicaid Expediter	\$31,572	\$37,236	\$38,353	\$39,504	\$40,689	\$155,782
Medicaid Codifier	\$31,572	\$37,236	\$38,353	\$39,504	\$40,689	\$155,782
Entitlement Specialist	\$31,572	\$37,236	\$38,353	\$39,504	\$40,689	\$155,782
Total	\$1,263,148	\$1,301,042	\$1,340,074	\$1,380,074	\$1,380,276	\$5,284,540

Non-personal services costs are based on an estimate of the cost of a computer system that allows DOH to manage providers and clients.

Estimated Non-Personal Services (NPS) Costs					
	FY2003	FY2004	FY2005	FY2006	4-Year Total
Client Management Information System	\$500,000	\$0	\$0	\$0	\$500,000
Total	\$500,000	\$0	\$0	\$0	\$500,000

The proposed, draft regulations would result in additional expenditures to the District of approximately \$ 1.76 million in FY 2003 and a total of \$5.78 million over the FY 2003 through FY 2006 period.

Estimated Impact to the Financial Plan					
	FY2003	FY2004	FY2005	FY2006	4-Year Total
PS Costs	\$1,263,148	\$1,301,042	\$1,340,074	\$1,380,276	\$5,284,540
NPS Costs	\$500,000	\$0	\$0	\$0	\$500,000
Total	\$1,763,148	\$1,301,042	\$1,340,074	\$1,380,276	\$5,784,540