

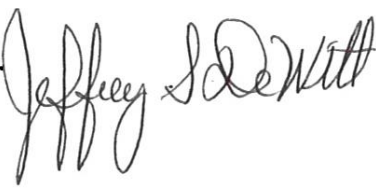
Government of the District of Columbia
Office of the Chief Financial Officer



Jeffrey S. DeWitt
Chief Financial Officer

MEMORANDUM

TO: The Honorable Phil Mendelson
Chairman, Council of the District of Columbia

FROM: Jeffrey S. DeWitt
Chief Financial Officer 

DATE: April 1, 2019

SUBJECT: Fiscal Impact Statement – Clinics Licensing Amendment Act of 2019

REFERENCE: Draft introduction as shared with the Office of Revenue Analysis on March 4, 2019

Conclusion

Funds are not sufficient in the fiscal year 2019 budget and proposed fiscal year 2020 through fiscal year 2023 budget and financial plan to implement the bill. The bill is estimated to cost \$119,000 in fiscal year 2019 and \$1.44 million through fiscal year 2023.

Background

The Department of Health (DOH) is responsible for licensing healthcare facilities to ensure that District of Columbia healthcare providers offer high quality care to patients. The bill requires¹ ambulatory medical clinics, physical health service clinics, urgent care centers, clinics operated within a pharmacy, Federally Qualified Health Centers, clinics managed in association with a government contract or grant, and privately-operated for-profit or not-for-profit ambulatory care centers to receive licenses from DOH in order to provide services in the District. The bill allows DOH to promulgate rules for these facilities regarding, among other things staff qualifications, staffing ratios, responsibilities of the governing body, complaint investigations, access to patient records by government officials, and data reporting.² DOH estimates that 70 facilities currently operating in the District will be required to get a license.

¹ By amending the Health Care and Community Residence Facility, Hospice and Home Care Licensure Act of 1983, effective February 24, 1984 (D.C. Law 5-48; D.C. Official Code § 44-501 et seq.).

² Including data on patient volume, service delivery, and workforce need.

Financial Plan Impact

Funds are not sufficient in the fiscal year 2019 budget and proposed fiscal year 2020 through fiscal year 2023 budget and financial plan to implement the bill. The bill is estimated to cost \$119,000 in fiscal year 2019 and \$1.44 million over the proposed four-year financial plan.

DOH must hire a Nurse Specialist, a Sanitarian, and a part-time Pharmacist to conduct site visits to enforce regulations and licensing requirements. Additionally, newly hired employees will need computer equipment and office supplies to conduct their assigned duties.

DOH collects licensing fee revenue from the facilities that are currently required to be licensed in the District.³ Each time a facility applies for or renews a healthcare facility license, it pays a fee that is determined by the size of the facility and the services it offers. DOH will impose licensing fees on the facilities covered by this bill, but rules to specify the fee amount have not yet been drafted. Once finalized, these fees will offset a portion of the enforcement costs associated with this bill.

Fiscal impact of the Clinics Licensing Amendment Act of 2019						
	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	Proposed Financial Plan Total
Total Salary and Fringe ⁽¹⁾⁽²⁾	\$114,026	\$348,920	\$355,899	\$363,017	\$370,277	\$1,438,113
Total Non-Personal Services ⁽³⁾	\$5,000	\$1,500	\$1,500	\$1,500	\$1,500	\$6,000
Total Fiscal Impact	\$119,026	\$350,420	\$357,399	\$364,517	\$371,777	\$1,444,113

Table Notes:

(1) Includes one grade-11 Nurse Specialist, one grade-12 Sanitarian, and one grade-14 part-time Pharmacist. Assumes a start date of June 1, 2019 and a fringe benefit rate of 21.9 percent.

(2) Assumes a 2 percent salary and fringe growth rate.

(3) Includes office supplies and computer equipment.

³ Chapter B31 of Title 22-B of the District of Columbia Municipal Regulations.