

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: July 2, 2003

SUBJECT: Fiscal Impact Statement (**Revised**): "Surrogate Decision-Making for Medical Care Act of 2003"

REFERENCE: Draft Legislation – Bill Number Not Available

Conclusion

Funds are sufficient in the FY 2003 through FY 2007 budget and financial plan to provide necessary staff and payments for services covered under the proposed legislation, which amends the "Health Care Decisions Act of 1988."

Background

The proposed legislation would establish an office within the Department of Human Services (DHS) to create a quasi-judicial, surrogate decision-making process for medical care for the mentally retarded, developmentally disabled, and those with impaired decision-making capacity. The office would recruit and train individuals to serve as members of the Surrogate Decision-Making Committee. The bill also would require the District to provide legal representation to all unrepresented individuals coming before the Committee for a hearing. Individuals would also be entitled to a second medical opinion if there are conflicting professional opinions about the need for or the appropriateness of major medical treatment.

Financial Plan Impact

The proposed legislation would result in approximately \$51,502 budgeted expenditures in FY 2003 and \$797,361 over the period of FY 2003 through FY 2007. The expenditures are included in DHS's FY 2003 supplemental (approved April 2003) and in the baseline for the proceeding fiscal years. The proposed legislation would require DHS to hire three additional staff: a staff attorney, a recruiter/trainer, and an administrative assistant

(detailed in the table below). The personal services costs assume fringe benefits equal to 17.96 percent of base salary.

	Salary	Benefits	Total
Staff Attorney	\$59,833	\$10,746	\$70,579
Recruiter/Trainer	38,068	6,837	44,905
Administrative Assistant	26,044	4,678	30,722
Total	\$123,945	\$22,261	\$146,206

The proposed legislation would also require DHS to incur one time non-personal services costs in FY 2003 and recurring non-personal services costs in the proceeding fiscal years. These costs are detailed in the table below. Non-personal services costs for FY 2003 are based on supplies and operations expenditures that would be paid in the remaining months of the fiscal year. All of the one-time start-up costs are included in FY 2003.

	One-time	Recurring	Totals
2 Computers & printers	\$4,000		\$4,000
1 Fax Machine	2,000		2,000
1 Copier	2,500		2,500
Training materials		\$5,000	5,000
Office Supplies		2,500	2,500
Postage		1,000	1,000
Equipment Maintenance		500	500
Second Medical Opinion		16,800	16,800
Totals	\$8,500	\$25,800	\$34,300

The cost summary for the period FY 2003 through FY 2007 is detailed in the table below. Both personal services and non-personal services costs assume three percent increase for inflation in each year beginning in FY 2004. Personal service costs for FY 2003 are based on the salaries that would be paid in the remaining three months of the fiscal year. Non-personal services costs for FY 2003 include all the one-time costs and a three-month pro-rated amount of the estimated annual costs for training materials, office supplies, postage, equipment maintenance, and second medical opinions.

FY 2003 through FY 2007 Cost Summary						
	FY 2003 (3 months)	FY 2004	FY 2005	FY 2006	FY2007	5-Year Total
Personal Services	\$36,552	\$151,028	\$156,013	\$161,162	\$166,481	\$671,236
Non-Personal Services	14,950	26,574	27,371	28,192	29,038	126,125
TOTAL	\$51,502	\$177,602	\$183,384	\$189,354	\$195,519	\$797,361