

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: 07/05/2012
POSITION: Oppose

BILL NUMBER: AB 2397
AUTHOR: Allen, Michael

BILL SUMMARY: Staff-to-Patient Ratios: Independent Review

This bill would require the Department of State Hospitals (DSH) to contract with an independent entity to review and analyze staffing ratios in order to determine the appropriate levels for effective patient treatment. This bill requires the analysis be completed by June 1, 2013, and a report submitted to the Legislature by August 1, 2013.

FISCAL SUMMARY

This bill would result in increased costs of \$300,000 to \$800,000 General Fund, to be absorbed within the DSH's existing budget, for an independent entity to review and analyze the DSH's staffing ratios in determining the appropriate levels for effective patient treatment. The 2012-13 Budget Act currently requires the DSH to reimburse the Office of State Audits and Evaluations (OSAE) within the Department of Finance to review its prior audit report of the State Department of Mental Health and determine which recommendations related to state hospitals have not been implemented, the status of implementation, and assist the DSH in prioritizing the outstanding audit findings based on fiscal and programmatic risk and cost efficiency. The scope of the OSAE review has not been finalized therefore review costs are unknown. However, the DSH is absorbing these costs as they are in the process of implementing many savings proposals to reduce the growth rate of costs in the state hospitals.

COMMENTS

The Department of Finance is opposed to this bill because it is costly and unnecessary. The DSH continues to examine operations and how it can effectively meet patient need. Additionally, this bill would result in increased General Fund costs of \$300,000 to \$800,000. These costs would be absorbed by the DSH as it is absorbing costs for an OSAE review and implementing savings proposals to reduce the growth rate of costs at the state hospitals.

On May 2, 2006, the United States Department of Justice and the state reached a settlement concerning violations of the Civil Rights of Institutionalized Persons Act (CRIPA) at four state hospitals. The extensive reforms required by the five-year Consent Judgment through the Enhancement Plan have resulted in changes to ensure individuals in the hospitals are adequately protected from harm and provided adequate services to support their recovery and mental health. The changes implemented resulted in substantial CRIPA compliance.

As part of the elimination of the Department of Mental Health and the establishment of the new DSH, the DSH underwent an extensive review of their operations to identify potential efficiencies while maintaining CRIPA compliance. The DSH is in the process of implementing these changes to improve treatment, safety and fiscal management.

State regulations currently require target ratios for nursing staff in units operated by the state hospitals. The ratios for treatment teams (which consist of the following classifications:

Analyst/Principal (0522) C.Castaneda	Date	Program Budget Manager Ken DaRosa	Date
Department Deputy Director		Date	
Governor's Office:	By:	Date:	Position Approved _____ Position Disapproved _____
BILL ANALYSIS			Form DF-43 (Rev 03/95 Buff)

BILL ANALYSIS--(CONTINUED)**Form DF-43****AUTHOR****AMENDMENT DATE****BILL NUMBER**

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COMMENTS (continued)

psychiatrist, psychologist, nurse, rehabilitation therapist, and social worker) are not specified in state law but are continuously monitored by DSH medical staff to adequately address patient needs.

Given these recent and ongoing activities, this bill is unnecessary.

Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)						Fund Code
	LA	(Dollars in Thousands)						
	CO	PROP						
	RV	98	FC	2012-2013	FC	2013-2014	FC	2014-2015
4440/State Hosp	SO	No	C	200	C	100	C	0 0001