

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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FISCAL IMPACT STATEMENT

LS 6830
BILL NUMBER: SB 216

NOTE PREPARED: Jan 3, 2009
BILL AMENDED:

SUBJECT: Regulation of Retail Health Clinics.

FIRST AUTHOR: Sen. Miller
FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: GENERAL
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: This bill requires retail health clinics to meet specified standards and implement certain policies for the monitoring of quality of care. The bill also requires the State Department of Health (SDH) to ensure compliance by retail health clinics, and allows SDH to inspect a retail health clinic.

Effective Date: July 1, 2009.

Explanation of State Expenditures: This bill would require SDH to regulate and inspect retail health clinics to ensure that they meet the requirements contained in the bill. SDH reports that in order to inspect and enforce the provisions of the legislation additional staff and resources would be required.

SDH does not have information regarding the number of health care clinics in the state, but estimate that there are over 300 statewide. In order to ensure compliance with the legislation, SDH estimated surveying all health care clinics at least twice a year. Each survey is expected to take approximately three days to perform. It was estimated that one surveyor could process approximately 50 surveys per year. Surveyors would be expected to incur travel costs and computer costs in the scope of their duties. SDH estimates requiring six public health nurse surveyors, one program administrator, and one administrative assistant. Additionally the program would require a percent of time for a surveyor supervisor, and staff from the legal, information technology, human resources, and finance departments for support activities. SDH estimates the costs of the program to fall within the range of \$550,000 and \$650,000 per year.

Background Information: SDH does not currently regulate most health clinics in the state. SDH reports that a large number of physician offices, medical group clinics, and immediate case clinics are not state-licensed

or federally certified. Hospital-owned immediate care centers are the clinics that are the most likely to be state-licensed. The only clinics in the state that are federally certified are community mental health centers and rural health clinics.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: SDH.

Local Agencies Affected:

Information Sources: Terry Whitson, SDH.

Fiscal Analyst: Bill Brumbach, 232-9559