



## ADMINISTRATIVE RULES

### Fiscal Estimate & Economic Impact Analysis

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12. Summary of the Businesses, Business Sectors, Associations Representing Business, Local Governmental Units, and Individuals that may be Affected by the Proposed Rule that were Contacted for Comments.

The Department published a solicitation on the Administrative Register, requesting comments on the economic impact of the proposed rule, from April 22<sup>nd</sup> to May 6<sup>th</sup>, 2019. DHS received two comments, both supporting the promulgation of DHS 50.

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13. Identify the Local Governmental Units that Participated in the Development of this EIA.

Counties were able to comment during the public comment solicitation period. DHS received comments from Ozaukee County supporting the development of the facility.

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14. Summary of Rule's Economic and Fiscal Impact on Specific Businesses, Business Sectors, Public Utility Rate Payers, Local Governmental Units and the State's Economy as a Whole (Include Implementation and Compliance Costs Expected to be Incurred)

The proposed rule is not expected to affect existing service providers and would instead create new business opportunities for service providers. County governments, and other third parties, that use the facility are expected save money on children's mental health treatment services, because the daily rates for services at YCSFs should be lower than those at an inpatient mental health facility. Private and public inpatient mental health facilities may see reduced youth admissions, though YCSFs have a maximum size of eight beds each, limiting the number of youth able to be diverted from inpatient facilities. Currently, the only non-institutional facilities where children can be placed for treatment are children's group homes, treatment foster homes, and residential care centers (RCC), regulated by the Department of Children and Families (DCF), under Chapter 48, Wisc. Stats. However, these facilities provide child welfare services, not mental health treatment services, and their services should not be significantly impacted by the creation of YCSFs.

Because YCSFs are a new type of facility for Wisconsin, and cannot be established until DHS 50 is complete, the actual costs for the facility to comply with and implement the rules is unknown. Providers operating under the rules will be the organizations primarily impacted by the rule change, limiting the costs of compliance and implementation of DHS 50 to those organizations certified to provide YCSF services. To estimate the fiscal impact, DHS assumed a rate of \$341 per day, based on the daily rates charged at eight-bed residential care centers for youth (RCC). RCCs provide the nearest analogue in Wisconsin to a YCSF. Assuming the YCSF operates everyday of the year, at its full eight-bed capacity, and a \$341 daily rate, the annual fiscal impact of the facility is expected to be \$996,400.

DHS 20.435 (5)(kp) allows DHS to make payments to YCSFs from moneys transferred from appropriation 20.435 (2)(gk). The revenues in (2)(gk) are generated by payments made for civil admissions to Wisconsin's mental health institutes. Providing the YCSF grants will increase Department's costs. DHS intends the YCSF grant funding to be used to establish the facilities and provide continuing support for staff, compliance, and operations during times when the facilities are not filled to capacity. If children are diverted from Winnebago Mental Health Institute (WMHI) into YCSFs, WMHI would receive lower revenue than it currently does, and should help DHS work towards its goal of reducing the number of emergency detentions to WMHI.

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15. Benefits of Implementing the Rule and Alternative(s) to Implementing the Rule

YCSFs were developed to create a new provider type for youth mental health treatment and crisis services in a less restrictive setting than an inpatient mental health institute. The YCSFs are expected to reduce youth crisis admissions to both private and state inpatient mental health facilities. The facilities will create business opportunities for service providers. A YCSF's daily rate is expected to be lower than that an inpatient facility, and should reduce the juvenile mental health costs for counties that use the facility.

If the rule is not approved, DHS would be unable to create certification criteria to regulate YCSFs. Without YCSFs, counties would likely continue relying on inpatient facilities to provide mental health crisis services to youth and paying the increased costs for inpatient treatment.

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16. Long Range Implications of Implementing the Rule

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The rule will create a new type of treatment facility for youth facing a mental health crisis. The Department expects the facilities will reduce demand for WMHI treatment services. As counties begin relying on YCSFs, DHS expects the number of improper emergency detention referrals for youth will be reduced, as counties would have another, less expensive, less restrictive, option for placement in a crisis situation.

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17. Compare With Approaches Being Used by Federal Government

There appear to be no existing or proposed federal regulations that address the activities to be regulated by the proposed rules.

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18. Compare With Approaches Being Used by Neighboring States (Illinois, Iowa, Michigan and Minnesota)

There appear to be no activities in Illinois, Iowa, Michigan, or Minnesota that address the activities to be regulated by the proposed rules.

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**Fiscal Estimate & Economic Impact Analysis**

**ATTACHMENT A**

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1. Summary of Rule's Economic and Fiscal Impact on Small Businesses (Separately for each Small Business Sector, Include Implementation and Compliance Costs Expected to be Incurred)

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2. Summary of the data sources used to measure the Rule's impact on Small Businesses

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3. Did the agency consider the following methods to reduce the impact of the Rule on Small Businesses?

- Less Stringent Compliance or Reporting Requirements
- Less Stringent Schedules or Deadlines for Compliance or Reporting
- Consolidation or Simplification of Reporting Requirements
- Establishment of performance standards in lieu of Design or Operational Standards
- Exemption of Small Businesses from some or all requirements
- Other, describe:

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4. Describe the methods incorporated into the Rule that will reduce its impact on Small Businesses

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5. Describe the Rule's Enforcement Provisions

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6. Did the Agency prepare a Cost Benefit Analysis (if Yes, attach to form)

- Yes     No
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