



**SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE**  
**STATEMENT OF ESTIMATED FISCAL IMPACT**  
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**Bill Number:** S. 0354 Signed by Governor on April 24, 2017  
**Author:** Alexander  
**Subject:** Crisis Stabilization Unit Facilities  
**Requestor:** Senate  
**RFA Analyst(s):** Stein and Kokolis  
**Impact Date:** January 8, 2018

**Estimate of Fiscal Impact**

	<b>FY 2017-18</b>	<b>FY 2018-19</b>
<b>State Expenditure</b>		
General Fund	\$0	\$0
Other and Federal	\$0	\$0
Full-Time Equivalent Position(s)	0.00	0.00
<b>State Revenue</b>		
General Fund	\$0	\$0
Other and Federal	\$0	\$0
<b>Local Expenditure</b>	\$0	\$0
<b>Local Revenue</b>	\$0	\$0

**Fiscal Impact Summary**

This bill would have no expenditure impact to the General Fund or Federal Funds. The Department of Health and Environmental Control (DHEC) anticipates they will administer the new licensing program within their current Other Funds spending authority. Other Funds revenue generated by the licensing fee is anticipated to cover the program’s cost. This bill would have no revenue impact to the General Fund or Federal Funds.

**Explanation of Fiscal Impact**

**Signed by Governor on April 24, 2017**

**State Expenditure**

This bill changes the State Certification of Need and Health Facility Licensure Act by creating a new facility category for crisis stabilization units operated or authorized by the Department of Mental Health (DMH). The bill exempts these facilities from the certificate of need process but requires their licensure in the manner specified in the bill and in accordance with DHEC regulations. Crisis stabilization units provide short-term residential treatment twenty-four hours a day, seven days a week for people experiencing a mental health crisis. Treatment offered would consist of psychiatric stabilization services, detoxification services, and brief, intensive crisis services. The average length of stay for an individual would be three to five days.

DMH operated a short-stay facility in Charleston from 1999 to 2009 and plans to open a community-based, short-stay crisis stabilization program in March or April 2017. Currently, there is no licensing category for this type of facility (or program). Therefore, DMH expects to

seek licensure as a community residential care facility (CRCF) with assisted living, which may require multiple waivers of DHEC's CRCF regulations.

**Department of Health and Environmental Control.** The department reports that this bill would require the department to promulgate new regulations and fee schedule, create and process new application forms, design new computer applications, train staff and the community on the new regulations, and inspect each crisis stabilization unit for compliance with licensure requirements. The department reports that these new responsibilities would require an additional recurring expenditure of \$9,039 in operating expenses for a temporary employee from a staffing agency, with an additional nonrecurring expenditure of \$1,012 in the first year for office equipment. The department will accomplish these tasks within the current Other Funds spending authority for the facility licensing program. There will be no expenditure impact to the General Fund or Federal Funds.

**Department of Mental Health (DMH).** The department indicates that this bill will have no expenditure impact on the General Fund or Federal Funds. This bill would have a minimal expenditure impact on Other Funds. The department is planning to open a community-based crisis stabilization program within one month. DMH has licensed similar programs in the past as community residential care facilities and received waivers from DHEC in order to operate since licensing regulations regarding crisis stabilization units do not exist. Once a fee schedule has been approved, this bill may increase Other Funds expenditures by DMH, but the amount is expected to be minimal and managed within the department's existing resources.

#### **State Revenue**

Currently, there are no regulations regarding the licensure of crisis stabilization unit facilities. DMH does not currently operate crisis stabilization facilities, and DHEC does not charge or collect fees for such facilities from DMH. DHEC will promulgate regulations and establish a fee schedule which must first be approved by the General Assembly. DHEC anticipates that the fee schedule will offset any additional expenditures associated with this new license and inspection requirement. The amount of the fees are undetermined since the fee schedule and its approval by the General Assembly has not occurred. However, the fees are expected to be minimal. This bill would have no revenue impact on the General Fund or Federal Funds.

#### **Local Expenditure**

N/A

#### **Local Revenue**

N/A



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Frank A. Rainwater, Executive Director