

**Department of Fiscal Services**  
Maryland General Assembly

**FISCAL NOTE**  
**Revised**

Senate Bill 80 (Chairman, Finance Committee)

(Departmental - Health and Mental Hygiene)

Finance

Referred to Environmental Matters

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**Residential Treatment Centers - Accreditation**

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This amended departmental bill authorizes the Department of Health and Mental Hygiene (DHMH) to license and inspect a residential treatment center (RTC) based on the RTC's current applicable accreditation by the Joint Commission on Accreditation of HealthCare Organizations (JCAHO). It authorizes DHMH to inspect each "nonaccredited RTC" for which a license is sought and to periodically inspect each nonaccredited RTC for which a license has been issued. It further authorizes DHMH to investigate complaints and review compliance with JCAHO patient care standards for an accredited RTC.

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**Fiscal Summary**

**State Effect:** No effect on expenditures, as discussed below. Minimal increase in general fund revenues due to the bill's penalty provision.

**Local Effect:** None.

**Small Business Effect:** The Department of Health and Mental Hygiene has determined that this bill has minimal or no impact on small businesses (attached). Fiscal Services concurs with this assessment as discussed below. (The attached assessment does not reflect amendments to this bill.)

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**Fiscal Analysis**

**Background:** Residential treatment centers provide psychiatric services for children and adolescents with severe and chronic emotional problems. Three of the RTCs are the State-operated Regional Institutes for Children and Adolescents.

**State Revenues:** The bill specifies that the Department of Health and Mental Hygiene may

impose a penalty of up to \$1,000 a day for each day that a RTC fails to make information concerning its accreditation report available to the department or to the public. Accordingly, general fund revenues could increase depending on the number and amount of fines imposed. Any such increase is assumed to be minimal.

**State Expenditures:** All 11 RTCs in Maryland are currently accredited by JCAHO. The bill reflects current practice in that DHMH will continue to inspect accredited RTCs to investigate complaints.

**Small Business:** There will be no economic impact on RTCs that are small businesses, since the department is currently not performing inspections except for the purposes of complaint investigation.

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**Information Source(s):** Department of Health and Mental Hygiene (Licensing and Certification, Developmental Disabilities Administration); Department of Fiscal Services

**Fiscal Note History:** First Reader - January 21, 1997  
nrd Revised - Senate Third Reader - March 18, 1997

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