

FINANCIAL IMPACT STATEMENT

PLEASE ANSWER ALL QUESTIONS COMPLETELY

DEPARTMENT _____

DIVISION _____

PERSON COMPLETING THIS STATEMENT _____

TELEPHONE NO. _____ **FAX NO.** _____ **EMAIL:** _____

To comply with Ark. Code Ann. § 25-15-204(e), please complete the following Financial Impact Statement and file two copies with the questionnaire and proposed rules.

SHORT TITLE OF THIS RULE _____

1. Does this proposed, amended, or repealed rule have a financial impact?
Yes _____ No _____
2. Is the rule based on the best reasonably obtainable scientific, technical, economic, or other evidence and information available concerning the need for, consequences of, and alternatives to the rule?
Yes _____ No _____
3. In consideration of the alternatives to this rule, was this rule determined by the agency to be the least costly rule considered? Yes _____ No _____
If an agency is proposing a more costly rule, please state the following:
 - (a) How the additional benefits of the more costly rule justify its additional cost;
 - (b) The reason for adoption of the more costly rule;
 - (c) Whether the more costly rule is based on the interests of public health, safety, or welfare, and if so, please explain; and
 - (d) Whether the reason is within the scope of the agency's statutory authority, and if so, please explain.
4. If the purpose of this rule is to implement a federal rule or regulation, please state the following:
 - (a) What is the cost to implement the federal rule or regulation?

Current Fiscal Year

General Revenue _____
Federal Funds _____
Cash Funds _____
Special Revenue _____

Next Fiscal Year

General Revenue _____
Federal Funds _____
Cash Funds _____
Special Revenue _____

Other (Identify)_____

Total_____

Other (Identify)_____

Total_____

(b) What is the additional cost of the state rule?

Current Fiscal Year

General Revenue_____

Federal Funds_____

Cash Funds_____

Special Revenue_____

Other (Identify)_____

Total_____

Next Fiscal Year

General Revenue_____

Federal Funds_____

Cash Funds_____

Special Revenue_____

Other (Identify)_____

Total_____

5. What is the total estimated cost by fiscal year to any private individual, entity and business subject to the proposed, amended, or repealed rule? Identify the entity(ies) subject to the proposed rule and explain how they are affected.

Current Fiscal Year

\$_____

Next Fiscal Year

\$_____

6. What is the total estimated cost by fiscal year to state, county, and municipal government to implement this rule? Is this the cost of the program or grant? Please explain how the government is affected.

Current Fiscal Year

\$_____

Next Fiscal Year

\$_____

7. With respect to the agency's answers to Questions #5 and #6 above, is there a new or increased cost or obligation of at least one hundred thousand dollars (\$100,000) per year to a private individual, private entity, private business, state government, county government, municipal government, or to two (2) or more of those entities combined?
- Yes_____ No_____

If YES, the agency is required by Ark. Code Ann. § 25-15-204(e)(4) to file written findings at the time of filing the financial impact statement. The written findings shall be filed simultaneously

with the financial impact statement and shall include, without limitation, the following:

- (1) a statement of the rule's basis and purpose;
- (2) the problem the agency seeks to address with the proposed rule, including a statement of whether a rule is required by statute;
- (3) a description of the factual evidence that:
 - (a) justifies the agency's need for the proposed rule; and
 - (b) describes how the benefits of the rule meet the relevant statutory objectives and justify the rule's costs;
- (4) a list of less costly alternatives to the proposed rule and the reasons why the alternatives do not adequately address the problem to be solved by the proposed rule;
- (5) a list of alternatives to the proposed rule that were suggested as a result of public comment and the reasons why the alternatives do not adequately address the problem to be solved by the proposed rule;
- (6) a statement of whether existing rules have created or contributed to the problem the agency seeks to address with the proposed rule and, if existing rules have created or contributed to the problem, an explanation of why amendment or repeal of the rule creating or contributing to the problem is not a sufficient response; and
- (7) an agency plan for review of the rule no less than every ten (10) years to determine whether, based upon the evidence, there remains a need for the rule including, without limitation, whether:
 - (a) the rule is achieving the statutory objectives;
 - (b) the benefits of the rule continue to justify its costs; and
 - (c) the rule can be amended or repealed to reduce costs while continuing to achieve the statutory objectives.

Statement of Necessity and Rule Summary

Rule Establishing Reasonable Charges for Costs of Treatment

Statement of Necessity

Acts 2019, No. 567, created a new section in the Arkansas Code that provides that an “entity that provides treatment or other mental health services . . . may impose a charge for the cost of the treatment or other mental health services rendered”. The Act goes on to require the Division of Aging, Adult, and Behavioral Health Services to promulgate rules to establish reasonable charges for this purpose consistent with the Act. This rule must be modified to conform to Act 567.

Rule Summary

- Effective January 1, 2020, the Rule Establishing Reasonable Charges for Costs of Treatment will be amended as follows : In compliance with Acts 2019, No. 567, the proposed amendment expands the permissible criteria for waiver or postponement of a charge to include when a patient has a court-appointed attorney because the court has found them to be indigent.
- Additionally, the proposed amendment repeals waiver language regarding patients who plead or are found guilty. This language was formerly found at Ark. Code Ann. § 5-2-305(j)(3)(B)(ii), but the language was repealed by Section 5 of Acts 2017, No. 472.

~~Arkansas Department of Human Services~~

~~Division of Behavioral Health~~Division of Aging, Adult, and Behavioral Health Services
of the Department of Human Services

Rule establishing reasonable charges for costs of treatment

Authority: The following rule is adopted and promulgated pursuant to the authority expressly conferred by the laws of the State of Arkansas, ~~Ark. Code Ann. § 5-2-305(j)~~ Ark. Code Ann. § 5-2-331.

Purpose: This rule establishes reasonable charges for costs of treatment that a person or entity that provides treatment may impose pursuant to Ark. Code Ann. §§ 5-2-301 et seq. The following rules supplement, but do not supplant, other laws and rules.

I. A person or entity subject to this rule shall be in compliance within 30 days of its effective date.

II. Charges for costs of treatment may not exceed the actual cost of the treatment.

III. Collection of any charges imposed under this rule shall be waived or postponed based upon:

a. Clinical considerations; ~~or~~

b. The patient's inability to pay; or

c. A court determination that the patient is wholly or partly indigent and qualifies for the appointment of an attorney under Ark. Code Ann. § 16-87-213.

IV. ~~Charges imposed under this rule shall be waived for defendants who:~~

~~a. Plead guilty or nolo contendere or~~

~~b. Are found guilty at trial.~~

V. ~~Charges for costs of treatment shall be based upon and not exceed the charges contained in the Charge Description Master maintained by the Arkansas State Hospital.~~