

HF2345 - 1A - "Healthcare Interpreter Registry"

Chief Author: **Rod Hamilton**
 Committee: **Health and Human Services Finance**
 Date Completed: **04/12/2016**
 Lead Agency: **Health Dept**
 Other Agencies:
 Human Services Dept

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings	X	
Tax Revenue		X
Information Technology	X	
Local Fiscal Impact		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2015	FY2016	FY2017	FY2018	FY2019
Health Dept						
State Government Special Rev	-	-	341	173	97	
Human Services Dept						
State Government Special Rev	-	-	25	-	-	
State Total						
State Government Special Rev	-	-	366	173	97	
Total	-	-	366	173	97	
Biennial Total			366		270	

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2015	FY2016	FY2017	FY2018	FY2019
Health Dept					
State Government Special Rev	-	-	.17	2.71	2.13
Human Services Dept					
State Government Special Rev	-	-	-	-	-
Total	-	-	.17	2.71	2.13

Lead Executive Budget Officer's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with MMB's Fiscal Note policies.

EBO Signature: Paul Moore Date: 04/12/2016
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State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2	Biennium			Biennium	
Dollars in Thousands	FY2015	FY2016	FY2017	FY2018	FY2019
Health Dept					
State Government Special Rev	-	-	341	173	97
Human Services Dept					
State Government Special Rev	-	-	25	-	-
Total	-	-	366	173	97
Biennial Total			366		270
1 - Expenditures, Absorbed Costs*, Transfers Out*					
Health Dept					
State Government Special Rev	-	-	357	241	155
Human Services Dept					
State Government Special Rev	-	-	25	-	-
Total	-	-	382	241	155
Biennial Total			382		396
2 - Revenues, Transfers In*					
Health Dept					
State Government Special Rev	-	-	16	68	58
Human Services Dept					
State Government Special Rev	-	-	-	-	-
Total	-	-	16	68	58
Biennial Total			16		126

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Expenditures	X	
Fee/Departmental Earnings	X	
Tax Revenue		X
Information Technology	X	
Local Fiscal Impact		
		X

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State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2015	FY2016	FY2017	FY2018	FY2019
State Government Special Rev	-	-	341	173	97	
Total	-	-	341	173	97	
Biennial Total			341		270	

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2015	FY2016	FY2017	FY2018	FY2019
State Government Special Rev	-	-	.17	2.71	2.13
Total	-	-	.17	2.71	2.13

Executive Budget Officer's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with MMB's Fiscal Note policies.

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State Cost (Savings) Calculation Details

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*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2 Dollars in Thousands	Biennium			Biennium	
	FY2015	FY2016	FY2017	FY2018	FY2019
State Government Special Rev	-	-	341	173	97
Total	-	-	341	173	97
Biennial Total			341		270
1 - Expenditures, Absorbed Costs*, Transfers Out*					
State Government Special Rev	-	-	357	241	155
Total	-	-	357	241	155
Biennial Total			357		396
2 - Revenues, Transfers In*					
State Government Special Rev	-	-	16	68	58
Total	-	-	16	68	58
Biennial Total			16		126

Bill Description

This bill would establish a regulatory system for spoken language interpreters who serve limited-English-speaking patients at health care encounters. The system would include: a registry with four tiers, each sequential tier representing demonstration of increased training and/or skill; authority and procedures to accept and investigate complaints and to mete out remedies; an advisory council; and on-going technical support for applicants and registrants.

Assumptions

The fiscal impact of this proposal will be the difference between the revenues and expenditures under the current roster system and the revenues and expenditures under the new registry created in the bill. The Commissioner of Health currently maintains a statewide roster of spoken language health care interpreters. Being listed on the roster is voluntary. Currently, there is a \$50 annual fee to be on the roster. The roster includes about 3,500 individuals and generates approximately \$170,000 in fees a year. Individuals seeking to join the roster submit information through a web application. No information is verified. The Minnesota Department of Health maintains the roster and offers technical assistance to individuals seeking to join the roster. This legislation would completely replace the existing roster system.

Startup costs

Startup costs include the costs of: (1) contracting with a subject matter expert to develop an examination of knowledge of medical terminology and a second expert on interpreter ethics and standards of practice; and (2) implementing data system changes to support the new registry activities. The Department will publish a request for proposals to develop an interpreter ethics test and a medical terminology test. We estimate that the tests can be developed at a cost of \$28,000 for each test. Adjustments during the next year or two will require \$6,000 for each test. There will be no further costs after the third year. Total startup costs will be \$280,000, which includes \$166,000 for IT system costs in the first two years, \$68,000 for the development and maintenance of the two examinations during the first few years, and \$46,000 for related overhead. More detail on IT costs is provided below.

Startup timing

We assume that programming necessary to implement this system will take one year to set in place. This work will occur in SFY 2017. Interpreters currently on the roster would apply to the registry in SFY 2018 when their annual renewal comes due so that all interpreters would be on the registry by July 1, 2018. We assume that 25% of enrollees will choose to pay fees for the registry in FY 2017 so they can be enrolled early in FY 2018. We assume that those who enroll early will

continue to renew each year at the same time because of the renewal schedule.

Information Technology Costs

Currently MDH uses a computerized licensing data system to manage enrollment and listing on the existing interpreter roster and a second computerized licensing data system to manage a number of other regulatory systems that include investigation and enforcement. MNIT would modify the existing interpreter roster system (ICSD) and modify the existing Health Occupations Program Oracle-based system for complaints intake, investigation, and enforcement functions. These system modifications would require approximately 1,800 hours of IT staff time at an average rate of \$80 per hour. The IT hourly rate includes supervision and other related costs. Total estimated technology costs are \$144,000 in the first year and \$21,600 in each of the following years.

This system would have to be modified to include the additional functionality listed below before the registry could be implemented, and it is assumed that all of SFY 2017 would be spent in system development and testing.

This system would:

- Allow for on-line submission of applications and renewals, and attachment/transmittal of supporting documentation.
- Include on-line ethics and medical terminology tests.
- Allow individuals with pending applications (i.e. as soon as an interpreter completes and submits the online application form) to access his or her online account and see which items have been received by MDH and which items MDH is waiting for, based on the tier and method chosen to show qualifications.
- Add to the registry, in the proper tier, the names of any individuals who have satisfied requirements for the tier to which he/she applied.
- Remove from the registry the names of interpreters whose registration has lapsed.
- Display interpreter information on-line, including but not limited to name, contact information, languages, areas of interpreting specialty (e.g. oncology, pediatrics, if any), qualifications and/or tier achieved, and expiration of registration period.
- Send renewal notices both electronically and via U.S. mail.
- Interpreters will be listed for a set period after expiration of their registration to ensure that services performed during their past registration period can be reimbursed. Thereafter, interpreter information will be moved to an archive for one year, to allow renewal rather than reapplication during this period.

Estimate of Interpreters who will register

As of May 1, 2015, 3,536 interpreters were listed on the roster (both active and inactive). The most common language among interpreters is Somali, with 1,031 interpreters. Spanish is the second most common language, with 680 interpreters. Fifty-seven languages are spoken by fewer than 10 interpreters each. Some interpreters interpret in more than one language. Proficiency has not been tested.

Being listed on the registry would be voluntary and we assume a reduction in the number of individuals choosing to be on the registry compared to the current roster. Some individuals without training as interpreters currently sign up on the roster and interpret primarily for family and community members. Many of these individuals will not be able to meet the tier one requirements for interpreting and will choose not to be on the registry when minimal qualifications are in place. Additionally, as the field becomes more professional, individuals who may have limited availability to interpret may be less likely to sign up. Languages with large numbers of interpreters may see reductions because of competition within the field. Finally, implementing a regulatory structure will result in a registry fee that is higher than the current roster fee, discouraging some individuals from transitioning from the roster to the registry.

Assumptions:

- Once the new requirements are implemented, the number of interpreters will drop by 31% with greater attrition among languages currently represented by the greatest number of interpreters. This fiscal note assumes by the end of the FY 2018, approximately 2,450 interpreters will be registered.

- There will be no overall growth in the field.
- 80% of registered interpreters will renew each year.
- Each year, approximately 14% of interpreters will be new to the registry and 6% will be returning after a lapse.
- Only 1% of interpreters will choose to upgrade to a new tier during the course of the year, thus paying a second registration fee.
- Initially, 3% of interpreters will seek entrance to the registry based on foreign degrees. This will subsequently drop to 5% of interpreters new to the registry.
- Once the program stabilizes, at each renewal, 4% of interpreters will be late in their renewal.

Advisory Council

Section 10 requires the 12-member Spoken Language Health Care Advisory Council to have its first meeting by October 1, 2016. We assume that work to establish the new advisory council will begin on July 1, 2016, and there will be three advisory council meetings in SFY 2017 and four meetings per year in SFY 2018 and beyond. Expenses to support the advisory council are \$3,400 in SFY 2017 and \$4,500 in SFY 2018 for per diems and travel expenses for members and other meeting expenses. Staff time is also required to establish the advisory council via the Secretary of State's Office including notifications, candidate applications review, and appointments during SFY 2017; and to convene, provide analysis for, and otherwise support the work of the advisory council in all years. Staffing for the Advisory Council is included in the Staffing section below.

Complaints

The draft bill does not prohibit an unregistered individual from interpreting, but registration is a prerequisite for receiving payment from public funds (e.g. MA reimbursement from DHS). Therefore, there will be no claims of illegal practice and the Department of Human Services will police any billing issues or irregularities.

The program will initially generate a significant number of complaints. Some of this will be due to pent up demand from existing concerns as the current roster system does not contain a mechanism for complaints. Inter-occupational issues will also contribute to the number of complaints (i.e. Interpreters/interpreting agencies filing complaints against one another). It is expected that the number of complaints will decrease over time as the practice adjusts to the regulatory structure, understanding develops as to what is and what is not an actionable complaint, and as outlying practice conforms to the new law.

Based on previous experience it is assumed that of the complaints received each month, two will be referred for investigation. Twelve of these will be relatively simple, and investigations will be fairly short; eight more will require moderate effort. Four complaints will be complex and require significant effort. Four complaints per year will move on to enforcement. These assumptions underlie the estimate of time required by an investigator. A higher number of complaints that require investigation, or a higher level of complexity would increase the necessary investigatory time. The cost of these activities are accounted for as salary and other operating costs.

Because a high percentage of complainants and witnesses may be limited in their English proficiency or have difficulty speaking English, we will need services from an interpreter service. We estimate thirty face-to-face sessions of 1.5 hours each, at \$40 per hour. These costs are accounted for as other operating costs in the Expenditure/ Revenue Formula tables.

Staffing

During SFY 2017, staff will perform work necessary to implement the registry in SFY 2018. This includes working with MNIT to set parameters for, develop, and test the electronic data system; creating and loading forms to the system; working out procedures; interfacing with stakeholders for input; contracting for the exams; and performing work to establish the advisory council. Total SFY 2017 FTEs will be .71, including 0.18 program representative, 0.1 limited English proficiency coordinator, 0.15 admin support, .03 investigator, .19 supervisor, and .06 manager.

In SFY 2018, the majority of work will shift from startup to implementation. A total of 2.71 FTEs will work on the program, including a 1.3 program representatives and a 0.2 student worker, a 0.2 FTE limited English coordinator to answer

questions from applicants and registrants assist them in the application and renewal process, a 0.45 investigator to handle complaints, a 0.2 supervisor, and a .05 manager.

In SFY 2019, FTEs will decrease and stabilize at 2.125, including 1.1 program representative; 0.2 limited English coordinator; 0.15 support staff; 0.45 investigator, 0.175 supervisor; and .05 manager.

Travel for employees includes costs to travel to four advisory council meetings per year, plus, limited trips during the year to meet with interpreters, witnesses, and complainants.

One new computer will be purchased during the first year of licensing. Thereafter, computers will be replaced every three years. The cost is calculated based on the number of FTEs. All employees are assumed to have laptops.

Fees

Currently the fee for the registry is \$50. This generates about \$170,000 a year. These fees would end under this new legislation. The current appropriation to operate the roster is \$69,000 per year.

This bill does not specify fee amounts. Minnesota Statutes 16A.1285, subd. 2, requires fees to be set at a level that neither significantly over recovers nor under recovers costs involved in providing services. For the purposes of this fiscal note, we assume that fees will be set at a level such that projected revenues over a five-year period match projected expenditures during that same period. Based on that assumption, this legislation would yield the following fee rates:

- The initial fee will be \$90. The annual renewal fee will be \$90.
- The late fee will be \$30.
- All interpreters will pay the same fee, regardless of tier.
- Applicants who seek entrance to the registry based on foreign schooling will pay the entire cost of verifying their credentials, including staff time. Based on limited experience with other licensed persons with foreign schooling, we assume a fee of \$175 per person resulting from the additional work involved in verifying credentials with foreign schools and ensuring that the education the person has received meets Minnesota standards. The new fee schedule takes effect on July 1, 2017. Startup costs will cost \$280,000 and will require a carry-over appropriation. On-going costs will be funded from fees.

Expenditure and/or Revenue Formula

EXPENDITURES	SFY16	SFY17	SFY18	SFY19
Salary and Fringe Benefits	0	58	185	151
Other Operating Costs	0	6	16	36
Grants	0	0	0	0
Administrative Services	0	0	0	0
OR Indirect Cost	0	13	40	37
TOTAL EXPENSES	0	77	241	224
TOTAL REVENUES	0	59	238	228
NET IMPACT	0	-18	-3	5

NET EXPENDITURES	SFY16	SFY17	SFY18	SFY19
Registry Expend - Fee		77	241	224
Registry Expend - Non-fee		280	0	0
Roster Expenditures		0	0	-69
NET TOTAL		357	241	155

Net Fee Impact	SFY 16	SFY17	SFY18	SFY19
Registry Fees	\$0	\$59	\$238	\$228
Elimination of Roster Revenue	\$0	-\$43	-\$170	-\$170
Net Total	\$0	\$16	\$68	\$58

Expenditures

FY17:

- New Program: \$58,020 for 0.71 FTEs (salary and fringe) + \$6,219 for other operating costs + \$12,880 for indirect + \$280,000 start up appropriation = \$357,119

FY18:

- New Program: \$184,813 for 2.71 FTEs (salary and fringe) + \$15,569 for other operating costs + \$40,177 for indirect costs = \$240,559

FY19:

- New Program: \$150,682 for 2.13 FTEs (salary and fringe) + \$35,585 for other operating costs + \$37,347 for administration/indirect costs = \$223,614
- Old Program: -\$69,000

Revenues

FY17:

- New Fees: \$55,125 for initial and renewal + \$551 for upgrades + \$3,019 for foreign degrees + \$735 for late fees = \$59,430

- Old Fees: -\$43,000 for reduced roster revenues

FY18:

- New Fees: \$220,500 for initial and renewal + \$2,205 for upgrades + \$12,075 for foreign degrees + \$2,940 for late fees = \$237,720

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Old fees: -\$170,000 for reduced roster revenues

FY19:

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New Fees: \$220,500 for initial and renewal + \$2,205 for upgrades + \$2,800 for foreign degrees + \$2,940 for late fees = \$228,445

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Old Fees: - \$170,000 for reduced roster revenues

Long-Term Fiscal Considerations

MDH is planning to replace existing licensing systems around the department with a shared e-licensing solution. When the e-licensing system becomes available, there will be additional costs to migrate licensure to the new system. Costs to migrate to the new system are not included in this fiscal note.

Local Fiscal Impact

None.

References/Sources

Arch Interpreter services, phone call 12/10/2014.

Kim Tong Interpreter services, email 12/10/14.

MN-IT estimates

MDH Spoken Language Health Care Interpreting Roster (<http://www.health.state.mn.us/divs/pqc/hci/index.html>)

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HF2345 - 1A - "Healthcare Interpreter Registry"

Chief Author: **Rod Hamilton**
 Committee: **Health and Human Services Finance**
 Date Completed: **04/12/2016**
 Agency: **Human Services Dept**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

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State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2015	FY2016	FY2017	FY2018	FY2019
State Government Special Rev	-	-	25	-	-	-
Total	-	-	25	-	-	-
Biennial Total			25			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2015	FY2016	FY2017	FY2018	FY2019
State Government Special Rev	-	-	-	-	-
Total	-	-	-	-	-

Executive Budget Officer's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with MMB's Fiscal Note policies.

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State Cost (Savings) Calculation Details

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Dollars in Thousands		FY2015	FY2016	FY2017	FY2018	FY2019
State Government Special Rev		-	-	25	-	-
Total		-	-	25	-	-
Biennial Total				25		-
1 - Expenditures, Absorbed Costs*, Transfers Out*						
State Government Special Rev		-	-	25	-	-
Total		-	-	25	-	-
Biennial Total				25		-
2 - Revenues, Transfers In*						
State Government Special Rev		-	-	-	-	-
Total		-	-	-	-	-
Biennial Total				-		-

Bill Description

Sections 1-7 requires the Minnesota Department of Health (MDH) to establish a provider registry for spoken language interpreter services provided to individuals with limited English proficiency within a health care setting. The registry established under this language would tier interpreters based on different qualification standards for education, training, and experience. These sections detail provider requirements, oversight and disciplinary actions, and provider fees to be on the registry.

Section 8 clarifies terms within the interpreter service definition in the Medical Assistance statute in M.S. § 256B.0625 and updates the existing requirement to use only providers listed on the registry.

Section 9 requires the Department of Human Services to work with MDH, the Spoken Language Health Care Interpreter Advisory Council, and other interested stakeholders to study and make recommendations for a tiered reimbursement system for spoken language interpreters based on the framework established in sections 1-7 of the bill, and submit the proposed reimbursement system, with its estimated costs, to the legislature by January 15, 2017.

Section 12 makes an unspecified appropriation from the state government special revenue fund in FY2017 to the commissioner of human services for the purpose of funding the activities under section 9.

Assumptions

Sections 1 to 7 have no impact on the Department of Human Services. Providers serving Minnesota Health Care Program recipients are required to provide language interpreter services whenever necessary if the provider cannot communicate effectively with a patient. Because of this requirement, any change in the availability of interpreters resulting from the new interpreter requirements included in this language will not change the volume of interpreter services covered by MA or MinnesotaCare.

This fiscal note assumes no effects from the changes to the definition of interpreter services in section 8. The bills changes are technical and consistent with current policy in the Medical Assistance program. This language does not change payment rates or otherwise change interpreter services provided by the Medical Assistance or MinnesotaCare programs.

Based on prior experience, managing a stakeholder process to develop reimbursement rates for interpreter services as required under section 9 will require contracting with an outside facilitator. The cost of these additional administrative resources is listed in the following Expenditure and/or Revenue Formula section.

Expenditure and/or Revenue Formula

Fiscal Tracking Summary (\$000s)						
Fund	BACT	Description	FY2016	FY2017	FY2018	FY2019
SGSR	13	Health Care Administration	0	25	0	0
		Total Net Fiscal Impact	0	25	0	0
		Full Time Equivalents				

Long-Term Fiscal Considerations

None

Local Fiscal Impact

None

References/Sources

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