

LEGISLATIVE REPORT

**COST SAVINGS FROM MODIFIED BACKGROUND STUDY PROCESS**  
**AND**  
**COSTS OF CONDUCTING BACKGROUND STUDIES ON INDIVIDUALS**  
**EMPLOYED IN MINNESOTA AND RESIDING IN A NEIGHBORING STATE**

REPORT TO THE  
1997 MINNESOTA LEGISLATURE

Pursuant to

Laws of Minnesota 1995, Chapter 229, Article 3, Section 17

and

Laws of Minnesota 1996, Chapter 408, Article 10, Sections 5 and 12

Prepared by the

DEPARTMENT OF HUMAN SERVICES

Division of Licensing

January 1997

— 1995 Minn. Laws Chap. 229 Art. 3 —  
Sec. 17

— 1996 Minn. Laws Chap. 408 Art. 10 —  
Sec. 12

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### COST OF PREPARING THE REPORT

The cost of preparing this report is provided to comply with the requirements of Minnesota Statutes, section 3.197 which states:

**3.197 Required reports.** A report to the legislature must contain, at the beginning of the report, the cost of preparing the report, including any costs incurred by another agency or another level of government.

This report has been prepared by staff from the Department of Human Services Division of Licensing. Staff at the Minnesota Department of Health reviewed the report and made recommendations regarding background studies affecting their programs. No outside consultants assisted in the development of this report.

It took approximately 80 staff hours to prepare the report. Based on average staff costs of \$30 per hour, including benefits, the staff costs for preparing the report is \$2,400.

The cost of printing and distributing fifty copies of the report is estimated to be \$50.

The cost of preparing, printing, and distributing this report is \$2,450.

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## I. BACKGROUND

In 1991 the Department of Human Services (DHS) began conducting background studies on individuals providing direct contact services in DHS-licensed facilities. Beginning in October 1995 the Minnesota Department of Health (MDH) contracted with DHS to conduct background studies on individuals providing direct contact services in MDH licensed facilities. The DHS studies are funded through a General Fund appropriation and the MDH studies are funded through a State Government Special Revenue Fund appropriation from licensing fees collected by MDH.

The statutory requirements for background studies found in Minnesota Statutes, Chapter 245A, have been amended during each legislature since the studies were begun in 1991. The 1995 and 1996 Legislature required that DHS report to the 1997 Legislature on some of the cost impacts of recent changes.

## II. LEGISLATIVE DIRECTIVES

- A. Laws of Minnesota 1995, Chapter 229, Article 3, section 17 directed the Commissioner of Human Services to report to the 1997 Legislature on the cost savings resulting from a 1995 amendment to the background study requirements found in Minnesota Statutes, Chapter 245A. The amendment required the criminal justice system to report to DHS new criminal convictions for persons employed in DHS and MDH-licensed programs (section 16). This process eliminates the need for annual (or biennial) background studies on persons who are continuously employed by a facility.

Sec. 16. Minnesota Statutes 1994, section 631.40, is amended by adding a subdivision to read:

*Subd. 3. [DEPARTMENT OF HUMAN SERVICES AND HEALTH LICENSEES.]  
When a person who is affiliated with a program or facility governed by the department of human services or department of health is convicted of a disqualifying crime, the probation officer or corrections agent shall notify the commissioner of the conviction, as provided in section 245A.04, subdivision 3, paragraph (b).*

Sec. 17.

*[REPORT.] By January 15, 1997, the commissioner of human services shall report to the legislature on the implementation of the process for reporting convictions under Minnesota Statutes, section 245A.04, subdivision 3, paragraph (b). The report must include an analysis of any reduction in the cost of performing background studies resulting from implementing the process and any recommendations for modification of the fee increases in article 4, section 22, based on a reduction in costs.*

- B. Laws of Minnesota 1996, Chapter 408, Article 10, section 5 states:

Sec. 5. Minnesota Statutes 1995 Supplement, section 245A.04, subdivision 3, is amended to read:

*Subd. 3. [STUDY OF THE APPLICANT.] (a) . . .*

*(b) Beginning July 1, 1997, the commissioner shall conduct a background study on individuals specified in paragraph (c), clauses (1) to (5), who perform direct contact services in a nursing home or a home care agency licensed under chapter 144A or a boarding care home licensed under sections 144.50 to 144.58, when the subject of the study resides outside Minnesota; the study must be at least as comprehensive as that of a Minnesota resident and include a search of information from the criminal justice data communications network in the state where the subject of the study resides.*

C. Laws of Minnesota 1996, Chapter 408, Article 10, section 12 states:

Sec. 12. Laws 1995, chapter 229, article 3, section 17, is amended to read:

Sec. 17.

*[REPORT.] By January 15, 1997, the commissioner of human services shall report to the legislature on the implementation of the process for reporting convictions under Minnesota Statutes, section 245A.04, subdivision 3, paragraph (d). The report must include an analysis of any reduction in the cost of performing background studies resulting from implementing the process and any recommendations for modification of the fee increases in article 4, section 21, based on a reduction in costs.*

*As part of this report, the commissioner shall make recommendations for using any cost savings to begin conducting comparable background studies of individuals who reside outside Minnesota but are employed or perform direct contact services in a nursing home, home care agency, or boarding care home located in Minnesota.*

D. This report also addresses two additional topics which were not directed by the legislature:

1. The cost of completing background studies on individuals who reside in a neighboring state and perform direct contact services in other facilities licensed by MDH but not addressed in Minnesota Statutes, section 245A.04, subdivision 3, paragraph (b).
2. The cost of completing background studies on individuals who reside in a neighboring state and perform direct contact services in facilities licensed by DHS.

**III. EXECUTIVE SUMMARY**

A. **Minnesota Department of Health:** There will be no cost savings to MDH. When the initial legislation was adopted in 1995, it was estimated that an average of 122,500 studies would be conducted in FY 96 and FY 97 for a total of 245,000 studies. The number of background studies conducted for FY 96 and FY 97 is approximately 329,000.

In FY 97, an estimated 235,100 MDH background studies will be completed. By the end of FY 97, all background studies will have been completed on current employees. Subsequent background studies should only be completed on people newly affiliated with the licensed programs. The number of MDH studies that will be completed in FY 98 is estimated to be 181,000 based on a 23 percent reduction. Even though the number of studies that will be completed in FY 98 will be 54,100 fewer than FY 97, this number is approximately 58,500 more per year than was estimated in the 1995 legislation.

Even with the reduction in studies due to the reporting of convictions change, DHS will conduct 58,500 more background studies in MDH-licensed programs in each fiscal year in FY 98 and FY 99 than projected in the 1995 legislation. MDH's projected background study costs for FY 98 and FY 99 is \$1,502,300, which is an increase of \$132,300 over the FY 96 and FY 97 costs of \$1,370,000.

MDH Background Studies	Contract Costs FY 96 & 97	Projected Contract Costs FY 98 & 99
A. MDH-Licensed Programs MN only	\$1,370,000	\$1,502,300
B. MDH-Licensed Programs outside MN identified in Minn. Stat.	N/A	\$ 480,000
C. Other MDH-Licensed Programs outside MN	N/A	\$ 204,000
D. All MDH-Licensed Programs outside MN (B + C)	N/A	\$ 684,000
Total Costs (A + D)	\$1,370,000	\$2,186,300

B. **Department of Human Services:** The cost savings to DHS from the 1995 legislation is estimated to be \$40,000 in FY 98 and \$54,000 in FY 99. The cost to DHS to expand background studies to all individuals who reside in another state and perform direct contact services in a DHS-licensed program would be approximately \$71,000 per year.

DHS Background Studies	Projected Savings & Costs FY 98 & 99
A. Savings due to reduced number of studies	\$ 94,000
B. Additional costs to expand studies to individuals working in DHS-licensed programs and residing in other states	\$ 142,000
C. Net costs	\$ 48,000

#### IV. DEPARTMENT RECOMMENDATIONS

##### A. MDH

The number of completed background studies greatly exceeded the estimates used in the 1995 fiscal note. There are a number of factors for the discrepancy including the lack of specific employment data at the time of the fiscal note preparation: underestimating turnover rates in facilities; increased number of facilities, especially home care agencies; and facilities' initiation of background studies for employees who do not by law require studies. In addition, the scope of the background study process was expanded to include temporary agencies that provide employees to health care facilities and education institutions which have students receiving clinical training in health care facilities to facilitate those individuals' being able to work in licensed settings.

MDH recommends that the 1997 legislature delay the completion of the background studies of health care facility employees in other states. These costs are not currently recovered by the license fees and there are no cost savings that could be used to cover the cost of these studies. MDH recommends the effective date of this provision be extended to July 1, 1998. MDH will report the costs for these studies and methods to fund them by January 15, 1998.

Since the costs for completing background studies for MDH-licensed facilities in FY 96 and FY 97 exceeded the appropriation from the State Government Special Revenue Fund and since estimated costs for the next biennium still exceed that amount, license fees should not be reduced.

Additional funding is needed to meet the costs associated with the increased number of background studies for people who reside in this state.

The number of in-state background studies estimated to be conducted in FY 98 and FY 99 is based on the numbers of studies completed during FY 96 and FY 97. MDH and DHS recommend maintaining current funding levels and MDH will provide another evaluation to the 1998 legislature. This will provide a more accurate assessment of the numbers of new employees providing services in MDH licensed facilities. However, MDH will request 1997 legislation to authorize MDH to spend FY 99 appropriations in FY 98 as appropriate to cover the anticipated increased cost of in-state background studies. MDH will present to the legislature by January 15, 1998, specific recommendations to increase the license fees to cover ongoing costs, studies for people living in other states and working in Minnesota licensed facilities, and the costs not covered by the FY 98 appropriation from the State Government Special Revenue Fund.

##### B. DHS

If the Legislature expands the background studies in MDH-licensed programs, there will be additional expenses. DHS expects to be reimbursed by MDH for the costs of conducting additional studies for them.

The Department does not recommend that Minnesota Statutes, chapter 245A be amended to require background studies on individuals who reside in another state and perform direct contact services in DHS-licensed programs. This was not contained in the 1995 and 1996 legislative directives. There is not enough cost savings resulting from the elimination of repeat studies in DHS-licensed programs to offset the cost of conducting the additional background studies on individuals who reside in another state and perform direct contact services in DHS-licensed programs.

The Department recommends that the cost savings of \$94,000 be applied to the increased number of background studies DHS expects to be doing in child care centers due to welfare reform; and to conducting a portion of the background studies currently completed by counties on adult foster care providers who are also licensed by the department to provide home and community based services for persons with developmental disabilities.

## **V. BACKGROUND STUDIES--HISTORY, PURPOSE, AND PROCESS**

Background studies are intended to protect the health, safety, and rights of persons receiving services in licensed programs. Background studies are used to identify individuals with certain events in their past that indicate the individual may present a threat to people receiving services in a licensed program.

An investigation into the criminal history of workers in human services programs has been mandated in various forms in Minnesota since 1978. On the federal level, in 1985 Congress enacted Public Law 98-473 requiring states that receive Title XX social services block grant funds to have procedures for background checks for all operators, staff and employees of child care and certain other services. Federal regulations governing intermediate care facilities for persons with mental retardation or related conditions prohibit employment of an individual with a conviction or prior employment history of child or client abuse, neglect or mistreatment.

Since 1985 counties have done background studies on family child care and foster care providers.

Since 1991 DHS has been completing annual or biennial background studies on individuals performing direct contact services in DHS directly licensed programs.

In 1995 the Legislature amended Minnesota Statutes, chapter 144, requiring DHS to also complete background studies on all individuals who perform direct contact services in facilities licensed by MDH. Rather than creating another system in MDH for completing background studies, the Legislature required MDH to contract with DHS to conduct these studies. The background studies are required to be completed under the procedures and requirements of Minnesota Rules, parts 9543.3000 to 9543.3090 (Rule 11); Minnesota Statutes, section 245A.04; and the amendments to Minnesota Statutes, chapter 144.

In October 1995 DHS began completing background studies on all individuals performing direct contact services in MDH-licensed facilities, including nursing homes, hospitals, home care agencies, boarding care facilities, outpatient surgical centers, and board and lodging facilities that provide special services.



### **Overview of Routine Background Study Process**

DHS conducts a review of:

- A. Criminal conviction records maintained by the Minnesota Bureau of Criminal Apprehension (BCA) (within 15 years from discharge from conviction). Generally, these records only include gross misdemeanors and felonies.
- B. DHS records of substantiated maltreatment of vulnerable adults and children (past seven years). These records include substantiated perpetrators from DHS investigations and all substantiated perpetrators from investigations that resulted in negative licensing action against family day care providers, child foster care providers, and adult foster care providers. As of October 1, 1995, pursuant to the Vulnerable Adults Act, all 87 counties and MDH are also required to report the names of substantiated perpetrators to DHS to be accessed for background studies purposes.

When DHS has "reasonable cause to believe the information is pertinent to the disqualification of an individual" the study may be expanded to include records from district courts, other states, and the FBI.

Minnesota Rules, part 9543.3070, and Minnesota Statutes, Chapter 245A, list the characteristics that will result in disqualification, including:

- A. 75 specific crimes
- B. Substantiated maltreatment of children and vulnerable adults that, after an independent review, is determined to show by a preponderance of evidence that:
  - 1. the act meets the definition of maltreatment in Minnesota Statutes, section 626.556 or 626.5572;
  - 2. the subject committed the maltreatment; and
  - 3. the maltreatment was serious or recurring.
    - a. "Recurring" means more than one substantiated maltreatment finding or one finding of more than one maltreatment event that independently would meet the criteria to be determined maltreatment.
    - b. "Serious" means sexual abuse, death, or maltreatment that results in serious injuries specified in the rule.

A disqualified individual may request reconsideration of their disqualification by submitting information to the commissioner showing:

- A. the information the commissioner relied upon is incorrect; and/or
- B. the individual does not pose a risk of harm to any person served by the program.

Although DHS conducts the background study on individuals who provide direct contact services in programs licensed by MDH, MDH processes the requests for reconsideration of disqualifications in MDH-licensed programs.

## VI. MODIFIED BACKGROUND STUDY PROCESS

### A. Overview

Effective October 1, 1995, probation officers and correction agents are required to determine whether each newly convicted person is affiliated with a DHS or MDH-licensed program. If the person is affiliated with a DHS or MDH-licensed program, the probation officer or corrections agent must determine whether the conviction was for a disqualifying crime, and if so, notify DHS. This process eliminates the need for repeat annual (or biennial) background studies on persons who are continuously employed by a facility.

For individuals who had a background study completed after October 1, 1995, a repeat study is no longer required if:

1. The program has documentation of the results of a DHS background study that was initiated by the program after October 1, 1995; and
2. The individual has been continuously affiliated with the license holder since the last study was conducted.

### B. Effects of Modification

From October 1, 1995, through December 10, 1996, probation officers and correction agents reported convictions for disqualifying crimes for 31 individuals. As a result of these reports, 26 individuals were disqualified from MDH-licensed programs and 5 individuals were disqualified from DHS-licensed programs. The crimes for which individuals were disqualified are as follows:

2 - Assault in 3rd degree	7 - Drugs, prohibited
7 - Assault in 5th degree	1 - Forgery
3 - Burglary	1 - Indecent exposure
1 - Criminal sexual conduct in 2nd degree	1 - Robbery
3 - Criminal sexual conduct in 5th degree	1 - Terroristic threats
1 - Criminal vehicular homicide & injury	10 - Theft

Some of the 31 individuals were disqualified for more than one crime.

In addition to the beneficial reduction in repeat background studies, the information received is more timely and more complete.

## VII. ANALYSIS OF COSTS

### A. Number of Background Studies

The table below lists the number of background studies in DHS and MDH programs completed in fiscal years 1994, 1995, 1996 and estimated studies in 1997, 1998, and 1999.

FISCAL YEAR	DHS STUDIES	MDH STUDIES
1994	52,311	N/A
1995	59,865	N/A
1996	42,933	94,300
1997 (est)	72,400	235,100
1998 (est)	46,700	181,000
1999 (est)	43,400	181,000

B. DHS-Licensed Programs

Because the new notification process needed to be in effect at the time the last background study is completed by DHS, all employees in DHS-licensed programs must have one more background study completed after October 1, 1995. Since many DHS programs are licensed for up to two years, the entire savings from the new notification process will not begin to be realized until October 1, 1997.

To provide a basis for estimating the reduction in background studies, the Division of Licensing reviewed the number of names repeated in studies for individuals in DHS-licensed programs. The time frame for the review was September 1, 1992, to August 31, 1994. In this two year period, there were 26,505 repeat studies (not including temporary employees) out of 114,171 studies. This shows that 23 percent of the studies conducted during that period were repeat studies. The remaining 77 percent includes background studies due to staff turnover, multiple studies of applicants for one vacancy, part time positions to fill one full time equivalent position, persons who work part time at several licensed programs, and people who apply for employment at multiple programs.

A repeat study is not required if the individual has been continuously affiliated with the license holder since the last study was conducted. Therefore, a reduction in repeat studies is directly related to staff turnover.

Due to economies of scale there is not always a direct one-to-one relationship between the number of studies conducted and the cost savings. For example, doing 500 studies is less costly than doing 2,500 studies but not necessarily one-fifth the cost.

The cost of performing background checks include staff costs (salary, benefits, and indirect costs), equipment costs (computers, printers, scanner), BCA costs (cost of access to criminal records), supplies, envelopes, forms, and postage costs. If fingerprints for FBI checks are required, there are additional costs. There are also

additional staff costs associated with individuals requesting reconsideration of their disqualifications.

The average cost per study to complete repeat studies on individuals is lower than the average cost for initial studies. The average costs are lower because for those who were disqualified, the reconsideration process has been completed. This cost for repeat studies is similar to the costs of completing MDH studies where MDH processes reconsideration requests. For example, in FY 96 and FY 97, it is estimated that 329,000 background studies will be completed for MDH at a cost of \$1,367,000, or approximately \$4.15 per study.

An estimated 56,400 studies in DHS-licensed programs will be completed in FY 97. In FY 98 there will be approximately 46,700 studies or a reduction of 9,700. In FY 99, there will be approximately 43,400 studies, or a reduction of 13,000 when compared to FY 97 studies. Based on a cost of \$4.15 per study, the cost savings in FY 98 and FY 99 are \$40,255 and \$53,950 respectively.

C. MDH-Licensed Programs

DHS does not have the same information regarding repeated background studies for programs licensed by MDH. DHS used the staff turnover rate in DHS-licensed programs to estimate turnover rates in MDH-licensed programs. It is estimated that 23 percent fewer MDH background studies will be completed in FY 98.

In FY 97, it is estimated that 235,000 background studies will have been completed for MDH-licensed programs. A 23 percent reduction in fiscal year 1998 will result in 54,000 fewer background studies. However, this is still considerably higher than the average of 122,500 studies that had been projected for FY 96 and FY 97 in the original legislation.

Even with a 23 percent reduction in MDH background studies, the number of studies to be completed each year will be 58,500 more studies than the original legislative estimate. Although the number of actual studies is considerably higher than projected, the estimated cost per study is lower than projected (\$4.15 per study versus the original projected cost of \$5 per study). Even with the lower cost of studies, there will be no cost savings for MDH because of the increased number of studies.

MDH contract costs for FY 96 and FY 97 are \$1,370,000. Projected contract costs for FY 98 and FY 99 are estimated to be:

FY 98 - 181,000 studies	\$ 751,150
FY 99 - 181,000 studies	\$ 751,150
	<u>\$1,502,300</u>

For FY 98 and FY 99, this is an increase of \$132,300 over FY 96 and FY 97 costs. The increase does not include MDH reconsideration costs, increases in costs due to salary increases, or increases in expenses.

**VIII. EXPANDED STUDIES IN MDH-LICENSED PROGRAMS--EMPLOYEES RESIDING IN OTHER STATES**

A. Statutory Requirement

The 1996 Legislature directed, effective July 1, 1997, DHS to conduct background studies in other states for individuals who provide direct contact services in some Minnesota agencies but who reside outside Minnesota. The expanded background study requirements will become effective July 1, 1997.

**BACKGROUND STUDY INFORMATION AVAILABLE TO DHS**

INFORMATION	Iowa	N. Dakota	S. Dakota	Wisconsin
Criminal Record	Yes	Yes*	Yes	Yes
Nurse Registry	Yes	Yes	Yes	Yes
Maltreatment - Adult	Yes*	Yes*	No	No**
Maltreatment - Child	Yes*	Yes*	No	No**

\* Requires person's consent

\*\* Information kept under the victim's name, not the perpetrator.

B. Costs of Completing Background Studies in Neighboring States

When comparable background studies are conducted in other states, the Department will be working with multiple agencies in Iowa, North Dakota, South Dakota, and Wisconsin. It will be more expensive per study for studies completed in other states due to increased administrative costs.

1. Estimated Background Study Start Up Costs.

There are start up costs associated with instituting background studies on individuals who reside in another state. These costs include setting up a process for sending and receiving data between the states. The background study process will require data from the four states' criminal justice systems, nurse aide registries, and maltreatment registries. Approximately 50 hours of additional research will be completed with the four states to determine what information is required, in what form, how the information will be returned, how costs will be paid, etc. Written DHS procedures and forms for each state, since each state will be different, will be developed and will take approximately 20 hours per state. Notification of Minnesota licensed programs of the study requirements will be made (24 hours programmer time to search the data base); letters will be sent to the facilities (16 hours); and it will cost \$1,000 for the letters, envelopes, and postage. A DHS bulletin will be written (80 hours including appropriate reviews), and it will cost approximately \$6,000 for printing and mailing. The total start up costs are estimated to be \$14,500 based

on 250 hours of staff time times \$30 per hour plus \$7,000 for postage and mailing costs.

2. Estimated Background Study Costs By State

a. IOWA - COST PER 100 STUDIES

1) Direct costs: \$13 per surname times 1.6 (1.6 names/study based on MDH data May 96 to October 96 - 220,766 studies; 136,830 individuals) times 100 studies	\$ 2,080
2) DHS processing of background studies (2.5 clerical hours per study) times \$15 times 100 studies	\$ 3,750
3) Review results of persons with criminal record, obtain disposition and compare statutes (.5 professional hours per person)	\$ 52.50
a) 3.5% have records (.035 times .5 hours times \$30 times 100 studies)	
b) 1% of "a" need disposition	
4) Disqualification (.01 times 2 hours times \$30 times 100 studies)	\$ 60
5) Reimbursement (processing payments .5 hours per 100 studies) .5 times \$15	<u>\$ 7.50</u>
Total costs per 100 studies	\$ 5,950
Cost per study for Iowa residents	\$ 59.50

b. NORTH DAKOTA - COST PER 100 STUDIES

1) Direct costs: \$20 per study times 100 studies	\$ 2,000
2) DHS processing of background studies (2.5 clerical hours per study) times \$15 times 100 studies	\$ 3,750
3) Review results of persons with criminal record, obtain disposition and compare statutes (.5 professional hours per person)	\$ 52.50
a) 3.5% have records (.035 times .5 hours times \$30 times 100 studies)	
b) 1% of "a" need disposition	
4) Disqualification (.01 times 2 hours times \$30 times 100 studies)	\$ 60

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5)	Reimbursement (processing payments .5 hours per 100 studies) .5 times \$15	\$ <u>7.50</u>
	Total costs per 100 studies	\$ 5,870
	Cost per study for North Dakota residents	\$ 58.70
c. SOUTH DAKOTA - COST PER 100 STUDIES		
1)	Direct costs: \$15 per study times 100 studies	\$ 1,500
2)	DHS processing of background studies (2.5 clerical hours per study) times \$15 times 100 studies	\$ 3,750
3)	Review results of persons with criminal record, obtain disposition and compare statutes (.5 professional hours per person)	\$ 52.50
	a) 3.5% have records (.035 times .5 hours times \$30 times 100 studies)	
	b) 1% of "a" need disposition	
4)	Fingerprints	
	a) MN BCA query \$1 times 100 studies plus .25 hours clerical (\$15/hour) per study times 100 studies	\$ 100
	b) Fingerprint reimbursement \$15 per study average times 100	\$ 375
	c) Processing reimbursement to individuals .08 hours per study times 100 times \$15	\$ 1,500
		\$ 120
5)	Disqualification (.01 times 2 hours times \$30 times 100 studies)	\$ 60
6)	Reimbursement (processing payments .5 hours per 100 studies) .5 times \$15	\$ <u>7.50</u>
	Total costs per 100 studies	\$ 7,465
	Cost per study for South Dakota residents	\$ 74.65
d. WISCONSIN - COST PER 100 STUDIES		
		\$ 500
1)	Direct costs: \$5 per study times 100 studies	
		\$ 3,750
2)	DHS processing of background studies (2.5 clerical hours per study) times \$15 times 100 studies	

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3)	Review results of persons with criminal record, obtain disposition and compare statutes (.5 professional hours per person)	\$ 52.50
	a) 3.5% have records (.035 times .5 hours times \$30 times 100 studies)	
	b) 1% of "a)" need disposition	
		\$ 60
4)	Disqualification (.01 times 2 hours times \$30 times 100 studies)	\$ 7.50
5)	Reimbursement (processing payments .5 hours per 100 studies) .5 times \$15	\$ 4,370
	Total costs per 100 studies	\$ 43.70
	Cost per study for Wisconsin residents	

3. Costs of studies for individuals in MDH-licensed Boarding Care Homes, Nursing Homes, and Home Care Agencies\* who reside outside Minnesota.

12/10/95 TO 12/10/96

State	Boarding Care Homes	Nursing Homes	Licensed Home Care	Total Individuals	Cost per Study	Total Cost
Iowa	2	241	51	294	\$59.50	\$ 17,493
North Dakota	5	1,134	987	2,126	\$58.70	\$ 124,796
South Dakota	1	240	66	307	\$74.65	\$ 22,918
Wisconsin	24	1,134	556	1,714	\$43.70	\$ 74,902
Total				4,441		\$ 240,109

\* These are the only agencies currently addressed in the statutory requirement.



4. Number of individuals whose background study form indicated that they resided in other states at the time their study was initiated who work in other MDH-licensed programs.

12/10/95 TO 12/10/96

State	Hospital	Out Pt. Surgery Center	Residential Care Home	Board & Lodge	Total Individuals	Cost per Study	Total Cost
Iowa	199		0	1	200	\$59.50	\$ 11,900
North Dakota	284		3	35	322	\$58.70	\$ 18,901
South Dakota	161		0	2	163	\$74.65	\$ 12,168
Wisconsin	1,323		7	30	1,360	\$43.70	\$ 59,432
Total	1,967		10	68	2,045		\$ 102,401

Since no cost savings have been identified for MDH, to conduct these additional studies would result in increased costs for MDH.

**IX. EXPANDED STUDIES IN DHS-LICENSED PROGRAMS--EMPLOYEES RESIDING IN OTHER STATES**

State	Individuals Working in DHS-Licensed Programs	Cost per Study	Total Cost
Iowa	83	\$ 59.50	\$ 4,939
North Dakota	494	\$ 58.70	\$ 28,998
South Dakota	74	\$ 74.65	\$ 5,524
Wisconsin	726	\$ 43.70	\$ 31,726
Total	1,377		\$ 71,187