

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1624-02
Bill No.: SB 393
Subject: Health Department; Nursing and Boarding Homes; Elderly
Type: Original
Date: March 14, 2005

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
General Revenue	(Unknown, greater than \$100,000)	(Unknown, greater than \$100,000)	(Unknown, greater than \$100,000)
Total Estimated Net Effect on General Revenue Fund	(Unknown, greater than \$100,000)	(Unknown, greater than \$100,000)	(Unknown, greater than \$100,000)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Mental Health (DMH)** state this legislation mainly relates to the Department of Health and Senior Services (DOH). DMH does provide a program license to RCFs when certain residential population thresholds are reached, such as over half of the residents have a mental health diagnosis or if one resident has a mental retardation diagnosis. The program license is in addition to the DOH required license. The additional clarification of requirements will not have a fiscal impact on DMH.

Officials from the **Department of Social Services (DOS) - Division of Medical Services (DMS)** state there would be no fiscal impact. DMS states both bills are primarily licensing standards bills and will not change the way Medicaid reimburses for care in such facilities.

Officials from the **Department of Health and Senior Services (DOH)** state there is a possibility that current unlicensed assisted living facilities may want to become licensed. However, since that data is not tracked, the by the DOH, it is unknown how many there currently are and whether they would desire to license.

DOH states this proposal would require DOH to amend existing regulations based upon the requirements of the proposal. This proposal broadens the types of individuals that can reside in

ASSUMPTION (continued)

an RCF I/II or Assisted Living Residence I/II. This could impact the DOH by increasing the amount of time needed to inspect these facilities. Additionally, DOHs states because the standard of resident removal from the RCF is more amorphous than the current standard (path to safety), DOH actions to remove a resident from an RCF could take more time and could result in additional discharge hearings.

<u>FISCAL IMPACT - State Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
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GENERAL REVENUE

Cost - Department of Health and Senior Services

Program services	<u>(Unknown, greater than \$100,000)</u>	<u>(Unknown, greater than \$100,000)</u>	<u>(Unknown, greater than \$100,000)</u>
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ESTIMATED NET EFFECT TO GENERAL REVENUE	<u>(Unknown, greater than \$100,000)</u>	<u>(Unknown, greater than \$100,000)</u>	<u>(Unknown, greater than \$100,000)</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This proposal repeals the terms "residential care facility" I and II and replaces them with the newly created terms "assisted living residence" I and II. Assisted living residences contain services consisting of social models based on the premise that the resident's unit is his or her home. There are new definitions for "activities of daily living" which include eating, dressing, bathing, toileting, transferring, and walking and for "instrumental activities of daily living" which consist of preparing meals, shopping for personal items, medication management, managing

ASSUMPTION (continued)

money, using the telephone, housework, and transportation ability.

This proposal prescribes requirements for assisted living residences in order to accept or retain individuals. An individual in a residence must not require hospitalization or skilled nursing. The residence must employ a staff large enough and skilled enough to handle twenty-four hour care. The residence must also have a written plan for the protection of all residents in the event of a disaster. The residence must implement self-care and leisure activity programs.

The residence must complete pre move-in screening and resident assessments for community based services. This assessment will be completed by a trained professional using tools provided by the Department of Health and Senior Services and will be conducted upon admission, at least annually, and whenever a significant change has occurred in the resident's condition. This assessment will be used by the residence to implement an individualized service plan to be reviewed at least annually by the resident or legal representative.

The residence must ensure that it does not accept or retain a resident who has exhibited behaviors which indicate that he or she is a danger to self or others or requires physical or chemical restraint. The resident must not require skilled nursing services or more than one person to physically assist the resident with any activity of daily living, except bathing. The resident must not be bed-bound or similarly immobilized due to a debilitating or chronic condition.

The residence must also develop a plan to protect the rights, privacy, and safety of all residents.

The proposal repeals the requirement that residential care facilities can only admit persons who are capable mentally and physically of negotiating a normal path to safety under certain conditions. This proposal now allows for an assisted living residence to accept an individual with a physical, cognitive, or other impairment that prevents the resident from safely evacuating the residence with minimal assistance so long as the residence has sufficient staff present twenty-four hours a day to assist in evacuations and contains an individualized evacuation plan for such a resident. The residence shall also be equipped with an automatic sprinkler system, an automated fire door system and smoke alarms compliant with national fire codes.

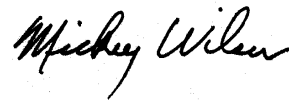
The residence must take measures to allow residents the opportunity to explore the facility and grounds and use personal electronic monitoring device for any resident whose physician recommends the use of the device.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

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SOURCES OF INFORMATION

Department of Health and Senior Services
Department of Social Services
Department of Mental Health



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