

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3627-07
Bill No.: Perfected SCS for SB 616
Subject: Health Department; Nursing and Boarding Homes; Elderly
Type: Original
Date: March 14, 2006

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
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 2007	FY 2008	FY 2009
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Mental Health (DMH)** state this proposal relates to sections of the statute relating to the Department of Health's licensure of RCF's. DMH states that there are some residential facilities/programs solely licensed or certified by DMH and the references in this proposal do not change language in DMH licensing or certification standards. Therefore, the DMH assumes this proposal would not fiscally impact their agency.

Officials from the **Department of Social Services (DOS) - Division of Medical Services (DMS)** state there would be no fiscal impact. DMS states the changes in this proposal are to the definitions of residential care facilities and assisted living facilities for license purposes. DMS states these types of facilities are not eligible to receive Medicaid reimbursement.

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 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, DOH 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 2007 (10 Mo.)	FY 2008	FY 2009
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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 2007 (10 Mo.)	FY 2008	FY 2009
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

This proposal could have an impact on small businesses operating a residential care facilities due to additional requirements that must be met.

DESCRIPTION

This proposal repeals the terms "residential care facility I" and "residential care facility II" and replaces them with "residential care facility" and the newly created term "assisted living facility," respectively.

DESCRIPTION (continued)

Assisted living facilities 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 money, using the telephone, housework, and transportation ability. There are also new definitions for "appropriately trained individuals," "community based assessment" and "social model of care."

This proposal prescribes requirements for assisted living facilities in order to accept or retain individuals. An individual in a facility must not require hospitalization or skilled nursing. The facility must employ a staff large enough and skilled enough to handle twenty-four hour care. The facility must also have a written plan for the protection of all residents in the event of a disaster. The signatures of an authorized representative of the facility and the resident, legal representative, or other responsible party shall be contained in the individualized service plan. The facility must implement self-care and leisure activity programs.

The facility must complete pre move-in screening and resident assessments for community based services. This assessment will be completed by a trained individual using tools provided by the department 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 facility 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 facility 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 requires if an assisted living facility accepts an individual with a physical, cognitive, or other impairment that prevents the resident from safely evacuating the residence with minimal assistance, the facility must have sufficient staff present twenty-four hours a day to assist in evacuations and must contain an individualized evacuation plan for such a resident. The facility shall also be equipped with an automatic sprinkler system, an automated

DESCRIPTION (continued)

fire door system and smoke alarms compliant with national fire codes. This proposal also provides a hospice exception to the pathway to safety provisions.

The facility 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.

Licensed facilities must also disclose to a prospective resident information regarding the services the facility is able to provide, costs of such services to the resident, and the conditions that will require discharge or transfer from the facility.

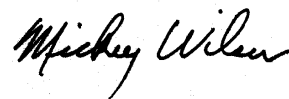
This proposal provides that after January 1, 2007, no facility shall hold itself out as an assisted living facility or advertise itself as an assisted living facility without obtaining a license from the department of health and senior services to operate as an assisted living facility except that any facility licensed by the department as of January 1, 2006 shall not be subject to the provisions of this proposal until January 1, 2008.

For purposes of receiving supplemental welfare assistance payments, any residential care facility licensed as a residential care facility II immediately prior to the effective date of this proposal and that continues to meet such licensure requirements for a residential care facility II shall continue to receive the payment amount for a residential care facility II.

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

SOURCES OF INFORMATION

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



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