

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0448-01  
Bill No.: SB 89  
Subject: Department of Health and Senior Services; Elderly; Nursing and Boarding Homes  
Type: Original  
Date: January 26, 2009

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Bill Summary: This legislation prohibits inspectors or surveyors from inspecting a long-term care facility in which the individual was an employee in the preceding five years.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

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

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

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## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Department of Mental Health** and the **Department of Social Services** each assume the proposal would have no fiscal impact on their respective agencies.

Officials from the **Department of Health and Senior Services (DHSS)** states DHSS, Division of Regulation and Licensure is responsible for inspecting all long term care facilities in the state. In order to conduct a thorough and fair investigation, the Department strives to hire inspection staff that has previous long term care experience. As a result, staff is often hired directly from the long term care industry. Placing a five year prohibition on staff inspecting a facility in which they were previously employed will place an increased burden on staff scheduling activities in these facilities. Because of this prohibition, the Department will need to hire additional staff to compensate.

The Section for Long Term Care Regulation is divided into seven regional offices. Each regional office is comprised of teams of inspectors that are responsible for facility inspections in that region. One additional FTE will be needed for each region to compensate for the five year prohibition recommended by the proposed legislation. Factors contributing to this need include:

- Each inspector has different disciplines and all inspectors are not able to inspect all facilities.
- The inspectors visit each facility in teams.
- Facility visits are scheduled a year in advance.
- Inspectors are on call in each region. If an inspector is on call and receives a call from a facility where they worked within the past five years, another inspector would have to be sent.
- There are seven regional offices, which places geographic limits on inspectors.

A total of seven Facility Advisory Nurse II (grade A28, step G, \$43,344) will be needed to perform inspections and investigations of long term care facilities. Standard expense and equipment costs for each FTE have been requested.

The proposed legislation states “The department shall not assign an individual to inspect or survey a long-term care facility in which the inspector or surveyor was an employee of such facility within the preceding five years”. Currently Federal regulation 42 CFR 488.314(a)(4) imposes a two year prohibition for inspecting a facility in which the person was employed.

**Oversight** assumes the Department can continue scheduling long term care facility inspections

with current FTE. Therefore, Oversight has not included the seven Facility Advisory Nurse II FTE in the fiscal note.

<u>FISCAL IMPACT - State Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
	<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.

FISCAL DESCRIPTION

The proposed legislation appears to have no fiscal impact.

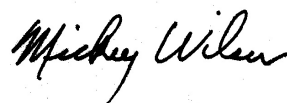
This legislation is federally mandated by 42 CFR 488.314(a)(4).

This legislation would duplicate federal regulations. 42 CFR 488.314(a)(4) currently impose a two year prohibition for inspecting a facility in which the person was employed.

This legislation would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

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



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