

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0448-03  
Bill No.: SCS for SB 89  
Subject: Department of Health and Senior Services; Elderly; Nursing and Boarding Homes  
Type: Original  
Date: February 23, 2009

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Bill Summary: This legislation modifies provisions on the regulation of inspectors or surveyors long-term care facilities.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
General Revenue	(Unknown)	(Unknown)	(Unknown)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>(Unknown)</b>	<b>(Unknown)</b>	<b>(Unknown)</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>
General Revenue	Unknown	Unknown	Unknown
<b>Total Estimated Net Effect on FTE</b>	<b>Unknown</b>	<b>Unknown</b>	<b>Unknown</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 (DRL) is responsible for inspecting all long term care facilities in the state. In order to conduct a thorough and fair investigation, DRL, whenever possible, hires inspection staff that has previous long-term care experience. Increasingly, DRL is hiring staff directly from the long-term care industry. Placing a five year prohibition on staff inspecting a facility where they were previously employed will place an increased burden on staff scheduling activities in these facilities. Because of this prohibition, DRL will need to hire additional staff to compensate.

DRL's Section for Long Term Care Regulation is divided into seven regional offices. These regional offices are responsible for the inspections of the long-term care facilities in the state. An unknown number of additional FTE will be needed throughout the regions to compensate for the five year prohibition recommended by this proposed legislation versus the current two year prohibition.

The impact of this version of the legislation differs from that of the previous version chiefly due to inspectors being barred from inspecting facilities which employ family members to the third degree of consanguinity or any person with whom the inspector has had a close friendship or personal relationship. Additional FTE are required to insure the availability of sufficient staff to perform required inspections.



FISCAL DESCRIPTION (continued)

The Department shall require disclosure statements by newly hired and currently employed inspectors and surveyors of long-term care facilities regarding his or her past employment in long-term care facilities and the past employment of family members and close friends in long-term care facilities. Any long-term care facility may notify the Department if there is a concern about an inspector or surveyor based on the public disclosure statements. The legislation delineates the Department's duties upon receiving such notification of concern.

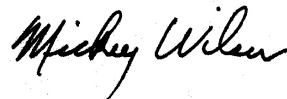
This legislation is federally mandated by 42 CFR 488.314(a)(4).

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



Mickey Wilson, CPA  
Director  
February 23, 2009