

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0448-06
Bill No.: Perfected SS for SCS for SB 89
Subject: Department of Health and Senior Services; Elderly; Nursing and Boarding Homes
Type: Original
Date: March 25, 2009

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

This legislation requires smoke alarms to be installed in each resident room and any room designated for sleeping in a long-term care facility until such time as the required sprinkler system is installed.

This legislation requires all resident of long-term care facilities to have background checks for the purpose of identifying those residents who are sexual offenders.

FISCAL SUMMARY

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

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 7 pages.

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

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

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

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).

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

FISCAL ANALYSIS

ASSUMPTION

Sections 198.074 & 198.075:

Due to time constraints the Office of Administration-Administrative Hearing Commission and Department of Social Services were unable to respond. In response to a similar proposal from this year (HB 707), officials from the **Office of Administration-Administrative Hearing Commission** and the **Department of Social Services** each assume the proposal would have no fiscal impact on their respective agencies.

In response to a similar proposal from this year (HB 707), officials from the **Department of Mental Health (DMH)** state the DMH has no facilities covered under Section 198; therefore, anticipates no fiscal impact.

Officials from the **Department of Public Safety** assume the proposal would have no fiscal impact on their agency.

In response to a similar proposal from this year (HB 707), officials from the **Department of Public Safety - Division of Fire Safety** states the Division currently is required to inspect long-term care facilities, of which there are approximately 1,200 in the state of Missouri. The cost of installing the smoke alarms in the sleeping rooms of the residential care facilities would be assumed by the facility owner. Therefore, the Division of Fire Safety is not fiscally impacted by this change in the law.

Due to time constraints the Department of Health and Senior Services was unable to respond. In response to a similar proposal from this year (HB 707), officials from the **Department of Health and Senior Services (DHSS)** state the DHSS fiscal note response to SS SCS HCS HB 952 and 674 (FN 2306-11T) passed during the 2007 legislative session indicated an Unknown, greater than \$100,000 impact for the General Revenue Fund and an Unknown impact for the Fire Safety Standard Loan Fund. The Unknown impact on the Fire Safety Standard Loan Fund indicated last year, is still appropriate. With the potential for additional loan applications to process, loan tracking, monitoring of repayments, etc., there would also be an increase in costs to General Revenue for administrative purposes. This impact would also continue to be Unknown, greater than \$100,000 as reported in the 2008 fiscal note. The amount however, would be at an increased unknown amount.

ASSUMPTION (continued)

Oversight assumes this legislation clarifies the language passed in SS SCS HCS HB 952 and 674. Oversight assumes any fiscal impact was included in FN 2306-11T and therefore, assumes DHSS would not be fiscally impacted by this change in law. If a fiscal impact were to result, the DHSS may request additional funding through the appropriations process.

Sections 198.187:

In response to a similar proposal from this year (HB 1012), officials from the **County of Cass, Boone County Sheriff's Department** and the **Springfield Police Department** each assume the proposal would have no fiscal impact on their respective agencies.

Officials from the **Department of Corrections** and the **Office of Prosecution Services** each assume the proposal would have no fiscal impact on their respective agencies.

In response to a similar proposal from this year (HB 1012), officials from the **Office of the Secretary of State (SOS)** state many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

In response to a similar proposal from this year (HB 1012), officials from the **St. Joseph Police Department** state the legislation would appear to require extra costs for the Police Department.

Oversight assumes the St. Joseph Police Department could absorb the additional cost that may result from this proposal within existing resources.

ASSUMPTION (continued)

Due to time constraints officials from the **Office of the Attorney General** and the **Missouri State Highway Patrol** have not responded to Oversight's request for fiscal information.

Sections 198.525:

Officials from the **Department of Social Services** assume the proposal would have no fiscal impact on their agency.

Officials from the **Department of Mental Health** each assume the proposal would have no fiscal impact on their agency.

Officials from the **Department of Health and Senior Services** assume the proposal would have no fiscal impact on their agency.

<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

Sections 198.074 & 198.075:

The proposed legislation changes the laws regarding sprinkler systems in long-term care facilities. In its main provisions, the legislation:

(1) Clarifies existing language regarding which facilities are required to comply and the date by which they must comply with the provisions regarding the installation of sprinkler systems;

FISCAL DESCRIPTION (continued)

(2) Allows facilities that have submitted a plan for compliance for the installation of a commercial sprinkler system to be eligible for a loan from the Department of Health and Senior Services;

(3) Requires facilities that have submitted a plan for compliance for the installation of a commercial sprinkler system to equip each sleeping room in the facility with a battery-powered smoke alarm until the commercial system is completely installed. The facilities must also be equipped with heat detectors interconnected to the fire alarm system in areas subject to nuisance alarms; and

(4) Allows local fire protection districts or fire departments that are deemed qualified by the State Fire Marshal to conduct fire safety inspections of these facilities for compliance with state statutes regarding the installation of the sprinkler system.

Sections 198.187:

This legislation requires all resident of long-term care facilities to have background checks for the purpose of identifying those residents who are sexual offenders.

Sections 198.525:

Under the proposed legislation the Department of Health and Senior Services shall not assign an individual to inspect or survey a long-term care facility in which the surveyor was an employee of such facility within the preceding five years.

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).

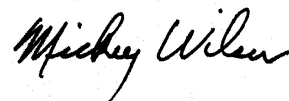
This legislation would duplicate federal regulations. 42 CFR 488.314(a)(4) currently impose a two year prohibition for inspecting a facility in which the person was employed.

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

SOURCES OF INFORMATION

Office of Administration-Administrative Hearing Commission
Department of Mental Health
Department of Health and Senior Services
Department of Social Services
Department of Public Safety
County of Cass
Springfield Police Department
Boone County Sheriff's Department
Office of the Secretary of State
St. Joseph Police
Department of Corrections
Office of Prosecution Services
Department of Public Safety - Division of Fire Safety

Not Responding: **Office of the Attorney General**
 Missouri State Highway Patrol



Mickey Wilson, CPA
Director
March 25, 2009